



Daily Report

East Asia

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CONTENTS

18 January 1994

NOTICE TO READERS: An * indicates material not disseminated in electronic form.

NORTHEAST ASIA

Japan

Tokyo Says Numerical Targets Unacceptable [KYODO]	1
Kumagai Defends Bureaucrats From U.S. Charges [KYODO]	1
MOF Officials Comment on G-7, APEC Meetings	1
Vice Minister Saito Remarks [KYODO]	1
Fujii Denies Knowledge [KYODO]	1
Gaydar Resignation: No Effect on Ties to Russia [KYODO]	2
Tokyo Welcomes Syria-U.S. Summit [KYODO]	2
Ministry Announces Grant for Burmese Refugees [KYODO]	2
Construction Reform Plan Set, Support Noted	3
Draft Formulated [KYODO]	3
Plan Approved [KYODO]	3
Highlights Noted [KYODO]	4
Hosokawa: 'Historic Impact' [KYODO]	4
Hata Urges 'Sincere' Enforcement [KYODO]	4
Construction Minister Hails Plan [Tokyo TV]	4
Industry Pledges Support [KYODO]	5
Obayashi Corp. Target of Bribery Probe	5
Prosecutors Question Officials [KYODO]	5
Vice President, Director Arrested [KYODO]	5
Coalition Says Agreement Set on Budget Schedule [KYODO]	6
Budget Projected To Increase 3 Percent [KYODO]	6
Tax Commission Director Comments on Tax Cuts	7
Effective Economic Stimulus [KYODO]	7
Earlier Remarks Corrected [KYODO]	8
EPA's Kubota on Progress of Pump-Priming Package [KYODO]	9
Rengo Leader Urges Major Income Tax Cuts [KYODO]	9
Panel Proposes Easing of Real Estate Taxes [KYODO]	9
Panel Approves Mobile Phone Service Rate Cuts [KYODO]	9
Government To Ease Company Stock Buy-Back Rule [KYODO]	10
Transport Ministry Adds to Deregulation List [KYODO]	10
Council Urges Easing Rules on Common Carriers [KYODO]	10
Government-Controlled Rice Drops 36 Percent [KYODO]	10
Ozawa Renews Regular News Conferences [KYODO]	11
Experts Urge Diet To Pass Reform Bills [KYODO]	11
Ozawa Confident on Passage of Reform Bills [KYODO]	12
Panel To End Debate on Political Reform 19 Jan [KYODO]	13
LDP Releases Draft Party Action Program [KYODO]	13
Burma Junta 'May Release' San Suu Kyi in Jul [KYODO]	14

North Korea

Third Round of Talks With U.S. 'Deadlocked' [KCNA]	14
ROK Accused of Laying 'Hurdles' in U.S. Talks [KCNA]	15
SPA Chairman on Yi Ki-taek Intention To Visit [Pyongyang Radio]	15
'Provocative' ROK Ground Attack Exercise Noted [KCNA]	16
CPRF Spokesman's Statement on ROK Remarks [Pyongyang Radio]	16
ROK Criticized for 'War Hysterics' [KCNA]	17
WPK Central Committee Secretary Visits China [KCNA]	17

'Promising' Computer Software Industry Viewed [KCNA]	17
Displaying Spirit of Self-Reliance Urged [Pyongyang Radio]	17

South Korea

U.S. 'Demanding' N-S Treaty on Denuclearization [TONG-A ILBO 17 Jan]	20
Pact Internationalization Opposed [TONG-A ILBO 18 Jan]	20
Official Denies Pressure Rumor [THE KOREA HERALD 18 Jan]	20
Nuclear Treaty Rumor 'Exaggerated' [CHOSON ILBO 18 Jan]	21
U.S. Ambassador's Associates View Relationships [SINDONG-A Dec]	21
'Disorder' in U.S.'s DPRK Policy Claimed [TONG-A ILBO 17 Jan]	24
U.S., Seoul Want DPRK N-S Talks 'Proposal' [TONG-A ILBO 17 Jan]	25
Foreign Minister on Nuclear Issue, N-S Talks [Seoul TV]	25
DPRK Said To Adopt PRC-Style Economic Style [CHOSON ILBO 16 Jan]	27
IAEA-DPRK Working Contact Postponed [Seoul Radio]	27
Opposition Party on Possible Pyongyang Visit [YONHAP]	27
Leadership of DPRK 'Operation Teams' Viewed [CHUNGANG ILBO 18 Jan]	28
DPRK's Trade, Economic Situation Discussed [SISA JOURNAL 20 Jan]	29
DPRK Purchase of Spectrum Analyzers Reported [CHUNGANG ILBO 15 Jan]	30
Equipment Said Shipped Via PRC [Seoul TV]	31
Russia Reportedly To Sell Submarines to DPRK [Seoul Radio]	31
Details of Sale, Method Reported [YONHAP]	31
Government Questions Russia [Seoul Radio]	31

SOUTHEAST ASIA

Burma

Meeting To Write New Constitution Resumes [Rangoon Radio]	32
Karens Tell Students Not To Obstruct Talks [London International]	32
DAB Issues Declaration on SLORC Offer for Talks [Radio DVOB]	32

Brunei, Malaysia & Singapore

Malaysia

Editorial Seeks Fair Fight in Bosnia [NEW STRAITS TIMES 17 Jan]	33
Central Bank Reports Increase in Reserves [NEW STRAITS TIMES 17 Jan]	34
Sabah Chief Minister Found Guilty, Fined [BERNAMA]	34

Singapore

Minister Stresses Need for More Malaysia Contacts [THE SUNDAY TIMES 16 Jan]	34
Brunei Navy Commander Meets With Defense Officials [Singapore Radio]	35

Cambodia

Northwest Military Situation, KR Talks Viewed [PHNOM PENH POST 14-27 Jan]	35
NADK Claims Win Over Government on Route 68 [Radio VGNUFC]	37
Khieu Samphan Wants Technical Group Meeting Soon [Radio VGNUFC]	38
NADK Repeats Denial of Use of Thai Territory [Radio VGNUFC]	39
Khieu Samphan Supports Sihanouk's 5 Jan Article [Radio VGNUFC]	39
NADK Denies Burning Rice Fields [Radio VGNUFC]	40
NADK Condemns MiG Attack on Pursat Village [Radio VGNUFC]	40
Official Views Khmer Rouge, Vietnamese Situation [Phnom Penh Radio]	40
Ranariddh, Hun Sen Depart for Beijing 17 Jan [AKP]	41
Egyptian Envoy Presents Credentials to Sirivut [AKP]	41

Indonesia

Iranian Minister Holds Talks With Suharto [Tehran Radio]	41
--	----

Suharto Views World News Imbalance, Human Rights [ANTARA]	41
Alatas: 'Possibility' UN Official To Meet Gusmao [AFP]	42
Taxation, Other Agreements Signed With Egypt [Jakarta Radio]	42
Finance Agreement Signed With Malaysia [Jakarta Radio]	42
Navy Sends Ships to Natuna Island Waters [AFP]	42
Editorial Considers Debate on Legal System [SUARA PEMBARUAN 28 Dec]	42

Laos

CPC Condolences on Death of Phoumi Vongvichit [Vientiane Radio]	43
SRV, Japan Condolences on Phoumi's Death [KPL]	43
Chinese Invest U.S.\$1 Million in Oudomsai [KPL]	44

Philippines

MNLF: Iran's Islamic Jihad Not in Mindanao [Quezon City Radio]	44
MNLF Talks Complicated by Alleged Plot [MANILA STANDARD 13 Jan]	44
Negotiator Clarifies Delay in Truce Signing [THE MANILA CHRONICLE 13 Jan]	45
ICO Backs Mindanao Investment Despite Bombings [MANILA STANDARD 13 Jan]	46
Sison Accuses Government of Aiding Breakaways [MALAYA 10 Jan]	46
Sison Calls CPP Regional Leader's Arrest Fake [MALAYA 12 Jan]	47

Thailand

Prime Minister Chuan Receives Bentsen [Bangkok TV]	47
Spokesman Denies Support for Khmer Rouge [Radio VOFA]	48
1st Army Chief: No Support to Khmer Rouge [THE NATION 14 Jan]	48
Commerce Source Expresses Doubts About EAEC [BANGKOK POST 17 Jan]	49
Rice Sale Refused, Iran Told To Buy From Market [BANGKOK POST 18 Jan]	49
Foreign Minister Prasong Receives Deng's Daughter [XING XIAN RIBAO 18 Jan]	49
Chuan Says Weapons Barter 'Matter of Principle' [Bangkok TV]	50
'Secret' Fund for National Security Council [BANGKOK POST 18 Jan]	50
Dailies Identify Chinese Associations Leadership [XING XIAN RIBAO, etc]	50
Spokesman: Workers Still Rejected by Saudi Arabia [BANGKOK POST 13 Jan]	51
Spokesman: Relations With Saudi Arabia Improved [Bangkok International]	51

Vietnam

Senators Inouye, Stevens Conclude Visit [Hanoi Radio]	51
Le Mai Comments on Human Rights Dialogue [VNA]	51
Embassy in Cambodia Protests Kidnapping [VNA]	52
Doan Khue Views Armored Force Readiness [Hanoi Radio]	52
Larson Arrives for Talks on MIA Issue [VNA]	53
Meets Le Duc Anh, Departs Hanoi [VNA]	53
Holds News Conference [Hanoi Radio]	53
Commentary on U.S. Relations, 'Outdated' Attitude [Hanoi International]	54
Hanoi Reports Vo Van Kiet-Kerry Meeting [Hanoi Radio]	55
Discusses POW/MIA Issue With Le Mai [Hanoi International]	55
Meets With Vo Van Kiet, Nong Duc Manh [VNA]	56
U.S. Senators Stevens, Inouye Visit [VNA]	56
U.S. House Staff Delegation Concludes Visit [VNA]	57
Phan Van Khai, General Giap See American Group [VNA]	57
'Sources': Central Committee in Extraordinary Session [AFP]	57
Conference Slated 20-25 Jan [Hanoi Radio]	58
Do Muoi Receives Singapore Firm Official [VNA]	58
Bui Thien Ngo Addresses Border Corps Conference [Hanoi Radio]	58
Vo Van Kiet Receives French Minister [VNA]	59
French Telecommunications Projects Inaugurated [Hanoi Radio]	59
Generals Attend Lao People's Army Day Meeting [VNA]	59
Doan Khue Visits HCMC Military Facilities [Hanoi TV]	59

AUSTRALASIA

Australia

Minister Announces Aid Package for Ethiopia [Melbourne International]	60
Dec Joblessness Drops to 10.7 Percent [Melbourne International]	60

Fiji

Opposition Attacks Government in Election Campaign [Melbourne International]	60
--	----

Papua New Guinea

Indonesians Alleged To Have Burned Village [Melbourne International]	60
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Japan

Tokyo Says Numerical Targets Unacceptable

*OW1801031694 Tokyo KYODO in English 0250 GMT
18 Jan 94*

[Text] Tokyo, Jan. 18 KYODO—Japan cannot accept a U.S. proposal to introduce a multiple set of yardsticks to measure import penetration of Japanese markets, a government source said Tuesday [18 January].

The United States made the proposal in bilateral "framework" trade talks held earlier this month in Washington, but Japan rejected it.

The source said the proposed targets would lead to managed trade, at a time when the world is moving toward free trade.

It is "now up to the U.S. to make concessions" in the stalled talks, the source said.

The source also said Japan cannot accept a U.S. proposal to hold a quadrilateral ministerial meeting on market access in advance of the Japan-U.S. summit in Washington between Prime Minister Morihiro Hosokawa and President Bill Clinton on February 11.

The proposal "is out of the question," the source said.

Washington had proposed the talks among the United States, the European Union, Canada and Japan under the auspices of the General Agreement on Tariffs and Trade.

Kumagai Defends Bureaucrats From U.S. Charges

*OW1801024694 Tokyo KYODO in English 0225 GMT
18 Jan 94*

[Text] Tokyo, Jan. 18 KYODO—Japan's trade minister on Tuesday rejected U.S. criticism that Japanese bureaucracy has blocked the bilateral trade framework negotiations.

International Trade and Industry Minister Hiroshi Kumagai said at a press conference that his ministry's role is to prepare the environment for the private auto industry to cooperate with their U.S. counterparts in expanding exports to Japan.

"It is not bureaucrats that are impeding the negotiations," Kumagai said.

"The government of (Prime Minister Morihiro) Hosokawa intends to enhance transparency of Japanese markets, while the private sector is hoping for a balanced expansion," of the auto trade, he said.

"Understanding on these points has deepened," the minister said.

MOF Officials Comment on G-7, APEC Meetings

Vice Minister Saito Remarks

*OW1701093694 Tokyo KYODO in English 0919 GMT
17 Jan 94*

[Text] Tokyo, Jan. 17 KYODO—Japan has no knowledge of a meeting reportedly slated for February of finance ministers and central bankers of the Group of Seven (G-7) industrialized nations, a senior Finance Ministry [MOF] official said Monday [17 January].

"I haven't heard of that," Vice Finance Minister Jiro Saito told a regular press conference.

He was referring to newspaper reports that Germany has proposed holding such a G-7 meeting in late February.

Saito, however, confirmed that a meeting of finance ministers from the Asia-Pacific Economic Cooperation (APEC) forum on March 18 and 19 in Hawaii will take place as disclosed earlier Monday by U.S. Treasury Secretary Lloyd Bentsen.

The meeting will be for "exchanging views informally" on cooperation in the region and "not for negotiations," Saito said.

Turning to domestic issues, he denied reports of an agreement among the coalition parties for the government to compile the fiscal 1994 budget around February 10, with the Finance Ministry to announce its budget plan on February 5.

The ministry has not received any instructions on the timetable, Saito said.

But the ruling parties are to hold a meeting of their policy-making forum, he said.

Wataru Kubo, secretary general of the Social Democratic Party [of Japan], the largest of the coalition parties, said Saturday that the parties have agreed on the budget schedule.

Fujii Denies Knowledge

*OW1801024394 Tokyo KYODO in English 0219 GMT
18 Jan 94*

[Text] Tokyo, Jan. 18 KYODO—Japan has not received any notice of a meeting of finance ministers and central bankers of the Group of Seven (G-7) industrial nations in February, Finance Minister Hirohisa Fujii said Tuesday [18 January].

"I haven't heard...and don't know," about such a meeting, Fujii told reporters after a regular cabinet meeting. He was referring to reports of a German proposal to hold a G-7 meeting in late February.

Fujii also denied reports that he would be talking with U.S. Treasury Secretary Lloyd Bentsen on Sunday in

Tokyo, saying, "I have absolutely not heard of it...I learned of his (Bentsen's) schedule for the first time through newspapers."

Concerning a meeting of finance ministers of the Asia-Pacific Economic Cooperation (APEC) forum, Fujii said it will be held in Hawaii on March 18 and 19 as disclosed by Bentsen on Monday.

The APEC meeting will be for "exchanging wide-ranging views...and not for negotiating policies," he said.

Turning to domestic issues, Fujii repeated that the timing and size of an increase in the consumption tax must be included in a package of tax reform bills for cutting income tax.

That is the "collateral" for issuing "bridge bonds" to finance the tax cut, Fujii said, reiterating his strong opposition to an issuance of "untreated" deficit-financing bonds.

The finance minister has retracted his objection to cutting income tax before raising the consumption tax as a stimulus measure on condition that repayment of bonds is guaranteed.

On Friday, disputes surfaced between the Finance Ministry and the Tax Commission over the sensitive issue of tax reform.

Kan Kato, head of an advisory panel to the prime minister, told reporters that a simultaneous cut in income tax and increase in the consumption tax rate is "not necessary," apparently opening the way for further objections to such a move by the Social Democratic Party [of Japan] and some other parties in the ruling coalition which oppose a tax increase.

But later Friday, Kato called a press meeting to retract his comments after they drew strong objections from the ministry.

Meanwhile, Fujii welcomed decisions by the coalition parties to drop a proposal to use public funds to purchase land as a way to stimulate the real estate market.

"I believe the decisions are correct...because the government can't win public support," he said, pointing to the easing of regulations as one of a number of measures and saying his ministry is still studying what actions can be taken.

He also rejected any changes in the land tax. (endall)
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Gaydar Resignation: No Effect on Ties to Russia

*OW1701095994 Tokyo KYODO in English 0930 GMT
17 Jan 94*

[Text] Tokyo, Jan. 17 KYODO—The resignation of Russian First Deputy Prime Minister Yegor Gaydar, who spearheaded Russia's market reforms, will not

affect relations between Japan and Russia, Vice Foreign Minister Kunihiro Saito said Monday [17 January].

"If Gaydar's resignation weakens Russia's reform efforts, it would be very regrettable," Saito told a press conference.

But Japan-Russia relations, and Japan's policy toward Russia will not change because of the resignation of the reformist, Saito said.

Japan has a policy of "adequately" supporting Russia's efforts for democratization and its shift toward a market-oriented economy and that policy will remain unchanged, he said.

The Japanese Government hopes the Russian Government will continue doing its utmost to achieve reforms, he said.

Gaydar, 37, announced Sunday he was leaving the government over disagreements with its recent decisions.

Tokyo Welcomes Syria-U.S. Summit

*OW1701100494 Tokyo KYODO in English 0955 GMT
17 Jan 94*

[Text] Tokyo, Jan. 17 KYODO—Japan on Monday [17 January] welcomed summit talks between U.S. President Bill Clinton and Syrian President Hafiz al-Asad held Sunday in Geneva, saying it paved the way for peace in the Middle East.

Vice Foreign Minister Kunihiro Saito told a press conference Japan welcomes the talks as it confirms the resumption of Mideast peace talks next week in Washington.

Saito said Japan is paying special attention to Al-Asad's remarks that Syria will seek "normal peaceful relations among all," including Israel.

Saito said Japan has promoted dialogue with the region, has supported the Mideast talks on a multilateral arena and has pledged assistance for Palestinians' self-rule. He added Japan will continue such support.

Ministry Announces Grant for Burmese Refugees

*OW1401110294 Tokyo KYODO in English 0933 GMT
14 Jan 94*

[Text] Tokyo, Jan. 14 KYODO—Japan will contribute 3.6 million dollars to the U.N. High Commissioner for Refugees (UNHCR) to help repatriate Myanmar [Burma] refugees from Bangladesh, Foreign Ministry officials said Friday [14 January].

The contribution is in response to a UNHCR appeal in December for a donation of about 34 million dollars in total for the repatriation program, the officials said.

The fund will be used to transport some 200,000 Myanmar refugees, provide goods for daily use and implement small-scale projects on agriculture, health, water and sanitation in support of resettlement of the repatriated people, they said.

Islamic residents account for about 3.8 percent of Myanmar's population of 42 million people, according to Foreign Ministry statistics.

Since 1991, Islamic Myanmar residents began moving to Bangladesh citing oppression, with the number of Myanmar refugees in Bangladesh reaching 250,000 by March 1992, they said.

But based on an agreement between foreign ministers of both countries, the refugees began returning to Myanmar and more than 52,000 people have returned to date, they said.

Construction Reform Plan Set, Support Noted

Draft Formulated

OW1401135194 Tokyo KYODO in English 1343 GMT
14 Jan 94

[Text] Tokyo, Jan. 14 KYODO—The government on Friday [14 January] formulated a final draft for the planned action program aimed at boosting foreign access to Japan's construction market, government sources said.

The action plan, worked out at a meeting of senior officials of concerned ministries, calls for introducing an open bidding system on public works projects ordered by both the central and local governments.

Currently, only designated contractors are allowed to participate in bidding for most public works projects.

According to the final draft, the open bidding system will be introduced for state-sponsored works projects worth 4.5 million special drawing rights [SDR's], or 700 million yen, or more.

One SDR is currently valued at 190 yen, but the Finance Ministry plans to change the rate to 160 yen from April. The plan is based on the new exchange rate.

If the works are ordered by the country's 47 prefectures, or 12 designated cities, and 85 public corporations like the Japan Highway Public Corp., the threshold is 15 million SDRs, or 2.4 billion yen.

The plan will come into force in April.

The action plan will be approved at a cabinet meeting scheduled for next Tuesday, in time for the January 20 deadline for threatened U.S. sanctions.

The United States originally threatened to retaliate if Japan failed to come up with effective measures for opening the construction market by October 31.

It extended the deadline to January 20 in October, responding to a Japanese pledge to draft an action program on the matter early this year.

The sources said the draft plan has already received basic approval from U.S. negotiators in bilateral construction-market talks.

Open bidding will also start for design consulting services for public works projects. Such services for state projects are put to open bidding if they are worth 450,000 SDRs or more and those for local governments 1.5 million SDRs.

As for a 1988 Japan-U.S. pact on preferential treatment for foreign contractors in 40 major projects, the government has decided not to immediately abolish it and agreed rather to phase it out by applying open bidding on those projects.

Plan Approved

OW1801004694 Tokyo KYODO in English 0036 GMT
18 Jan 94

[Text] Tokyo, Jan. 18 KYODO—The government decided Tuesday [18 January] on an action program aimed at boosting foreign access to Japan's construction market.

The program calls for introducing an open bidding system on public works projects ordered by central and local governments and 84 public corporations. At present, only designated contractors are allowed to participate in bidding for most public works projects.

Under the new program, the open bidding system will be introduced for central government-sponsored public works projects worth 4.5 million special drawing rights (SDR), or about 720 million yen, or above. One SDR is presently valued at 160 yen.

On eligibility to take part in open tenders, the program makes it clear that construction firms, whether Japanese or foreign, will be treated in a nondiscriminatory manner.

Projects, valued at 4.5 million SDRs or above, will be opened for bidding to foreign enterprises.

If public works are ordered by the country's 47 prefectures, 12 designated major cities and 84 public corporations like the Japan Highway Public Corp., the threshold will be 15 million SDRs.

For public works worth less, the existing designated competitive bidding system will be applied, on condition that the ordering body ensures greater transparency and objectivity in designation and other related formalities.

The government drew up the action program to be in time for the January 20 deadline for threatened U.S. sanctions.

The United States initially threatened to retaliate if Japan failed to come up with effective measures to open the construction market by October 31, 1993, but in October extended the deadline to January 20.

On design and consulting services concerned with public works projects, too, the designated bidding system has so far been applied.

But the new program introduces a system for choosing participants from among those wishing to get orders which will apply to such services worth 450,000 SDRs or above to be ordered by the central government and public corporations, and services valued at 1.5 million SDRs or above ordered by prefectures and designated major cities.

The existing construction procurement checking committee will act as an agency for disinterested parties in taking up complaints relating to open bidding.

To prevent bid-rigging practices and bribery, a plan to make the guidelines for supervising and dealing with those found to have engaged in such acts much more severe than at present will be drawn up by the end of March.

The Fair Trade Commission will also lay down guidelines by this summer to prevent bid-rigging in public works projects.

The existing "construction guidelines" which are notorious for their numerous loopholes will be abolished.

Highlights Noted

OW1801005394 Tokyo KYODO in English 0038 GMT 18 Jan 94

[Text] Tokyo, Jan. 18 KYODO—The following are the highlights of the action program on opening of Japan's construction market adopted at a cabinet meeting on Tuesday [18 January].

—The action program will be applied to public works projects from April 1994.

—An open bidding system will be introduced for government projects worth 4.5 million SDRs [special drawing rights] (about 720 million yen) or more, and projects sponsored by public corporations valued at 15 million SDRs (2.4 billion yen) or more.

—For design and consulting services concerning state-ordered public works projects worth 450,000 SDRs (72 million yen) or more, the action plan envisages a system for choosing participants from among those wishing to win orders.

—For projects undertaken by any of the nation's 47 prefectures or 12 designated major cities, these measures will apply to construction works worth 15 million SDRs (2.4 billion yen) or more and design and consulting works valued at 1.5 million SDRs (240 million yen) or more.

Hosokawa: 'Historic Impact'

OW1801021494 Tokyo KYODO in English 0159 GMT 18 Jan 94

[Text] Tokyo, Jan. 18 KYODO—Prime Minister Morihiro Hosokawa said Tuesday [18 January] a fresh action program to open large-scale public works projects to foreign bidders will have a "historic" impact on Japan's social and economic structures.

"The just-formulated measures are intended for a sweeping change of our public works bidding system and are historic in light of their effect on our social and economic structures," Chief Cabinet Secretary Masayoshi Takemura quoted the premier as telling a cabinet meeting.

Hosokawa also sought further cooperation of cabinet ministers in smoothly implementing the action program to open Japan's large-scale public works projects to foreign bidders, the top government spokesman told a news conference.

Takemura said he believes the scheme marks a major shift in the collusive nature of some practices in Japan, such as illegal prearranged bidding for public works projects.

Hata Urges 'Sincere' Enforcement

OW1801014894 Tokyo KYODO in English 0117 GMT 18 Jan 94

[Text] Tokyo, Jan. 18 KYODO—Foreign Minister Tsutomu Hata called at a regular cabinet meeting Tuesday [18 January] for "sincere" enforcement of the just-approved action program for improving Japan's public works bidding system.

"The new bidding systems and contract procedures laid out in the action program are internationally appropriate," in line with the agreement reached at the Uruguay Round of world trade talks, Hata said.

He then asked for support from all the government ministers for "sincere" implementation of the program.

The program calling for introducing an open bidding system on public works projects to boost foreign access to Japan's construction market, was approved at the morning cabinet meeting.

Construction Minister Hails Plan

OW1801050994 Tokyo NHK General Television Network in Japanese 0356 GMT 18 Jan 94

[Announcer-read report over video; from "NHK News" program]

[Excerpts] As the U.S. imposed deadline for taking action to open the Japanese construction market neared, and the threat of sanctions loomed larger, the cabinet held a meeting today to approve a construction industry

action program. The program is Tokyo's final proposal for concluding Japan-U.S. construction talks.

The United States has made strong demands that Japan open its construction market, saying it would impose sanctions against Japan unless it presented satisfactory measures for the opening of its construction market by 20 January.

In response the government has mapped out the action program. [passage omitted on Hosokawa's comment on action program].

Commenting on the action program this morning at a news conference after the cabinet meeting, Construction Minister Kozo Igarashi said: The action program will further promote the opening of Japan's construction market, which is what the United States and other countries have asked. I am convinced that they will rate the action program highly. I hope the program will lead to a smooth settlement of Japan-U.S. construction talks.

Industry Pledges Support

*OW1801045494 Tokyo KYODO in English 0432 GMT
18 Jan 94*

[Text] Tokyo, Jan. 18 KYODO—The Japanese construction industry will make all efforts to head off unfair practices and recover trust by acting in line with a new action program for improvement of bidding and contract procedures, an industry federation said Tuesday [18 January].

The Japan Federation of Construction Contractors Inc. issued the comments in a written form after the cabinet Tuesday morning approved the action program to make bidding for public works more open.

In the statement, the federation said, "It is necessary for the Japanese industry as a whole to tackle seriously the problem of averting unfair practices." It noted that the program includes stronger penalties for those involved in illicit deals.

Japan's construction industry has been shaken by a series of major bribery and bid-rigging scandals in the past year.

Obayashi Corp. Target of Bribery Probe

Prosecutors Question Officials

*OW1701155594 Tokyo KYODO in English 1441 GMT
17 Jan 94*

[Text] Tokyo, Jan. 17 KYODO—Prosecutors are investigating major contractor Obayashi Corp. on suspicion that it gave 10 million yen to former Sendai Mayor Toru Ishii to secure favorable treatment in a bid for a public works contract, sources close to prosecutors said Monday [17 January].

The Tokyo District Public Prosecutors Office has questioned Obayashi Corp. officials, including a 66-year-old vice president, and Sendai City officials on a voluntary basis, the sources said.

Investigators believe the Osaka-based company gave 10 million yen to Ishii, then Sendai mayor, in October 1992 after asking him for favorable consideration in its bid for a 8.2 billion yen project to construct a waste incineration plant, they said.

Ishii allegedly proposed to city officials that they separate the bids for the building and other parts of the plant in response to the firm's request.

Obayashi Corp., Japan's fourth-largest construction firm, wanted to contract only the building, but the bid was held in June last year as one lump package in spite of Ishii's efforts, they said.

The concern subcontracted part of the project from Osaka-based plant maker Hitachi Zosen Corp., which won the contract for the whole project to build the Kuzuoka Waste Incineration Plant, scheduled to be completed by September 1995.

No official of Obayashi Corp. has been arrested or charged in the current wave of bribery scandals involving mayors and governors, in which officials of seven major construction firms and a paper manufacturer have been indicted since last summer.

Ishii, 68, is on trial for allegedly taking a total of 130 million yen in bribes from six general contractors including Hazama Corp., Shimizu Corp., Taisei Co., and Nishimatsu Construction Co.

Vice President, Director Arrested

*OW1801121494 Tokyo KYODO in English 1141 GMT
18 Jan 94*

[Text] Tokyo, Jan. 18 KYODO—Prosecutors arrested a vice president and a director of major contractor Obayashi Corp. on Tuesday [18 January] on suspicion of giving a 10 million yen bribe in 1992 to then Sendai Mayor Toru Ishii.

Vice President Koreaki Hagihara, 66, and Director Juichi Konishi, 59, allegedly conspired to give the money to Ishii, 69, as a reward for favorable treatment in the awarding of public works projects, informed sources said.

Investigators from the Tokyo District Public Prosecutors Office also raided the Osaka and Tokyo headquarters of Obayashi and other related sites in a search for evidence of suspected illicit payments.

Obayashi President Takao Tsumuro apologized for the controversy but denied the company's involvement in the scandal.

Obayashi is Japan's fourth largest construction firm in terms of sales, following Shimizu Corp., Kajima Corp. and Taisei Corp.

The sources said the Osaka-based company is suspected of giving Ishii 10 million yen in October 1992 after asking him for favorable consideration in its bid for an 8.2 billion yen project to construct a waste incineration plant in Sendai, the capital of Miyagi Prefecture.

The alleged bribe was also intended as a reward for his efforts in awarding such projects as building a subway station, the sources said.

The money is believed to have been received on Ishii's behalf by his aide Mitsuo Moriya, deputy secretary general of the Miyagi Prefectural chapter of the Liberal Democratic Party (LDP), who is under indictment in a separate bribery case involving former Miyagi Gov. Shuntaro Honma.

Investigators suspect that Ishii, as mayor of Sendai, may have received a total of 140 million yen in payments from eight construction companies, including Obayashi, for alleged favorable consideration on project bids, the sources said. Ishii resigned as mayor soon after he was arrested last June.

In a related development, informed sources said Obayashi's wholly owned subsidiary allegedly paid some 30 million yen in rental payments for a Tokyo office of senior LDP politician Hiroshi Mitsuzuka.

The subsidiary shouldered about 500,000 yen a month for five years starting from December 1983, the sources said.

Mitsuzuka, former chairman of the LDP's Policy Affairs Research Council, has been elected as a House of Representatives member from a constituency in Miyagi Prefecture.

Commenting on the arrest of Obayashi's executives, Construction Minister Kozo Igarashi said he thinks the series of arrests of top executives of general contractors represents "a structural problem" in the country's construction industry.

Igarashi stressed the need for fundamental reform of the industry.

After the arrests of the senior Obayashi officials, several municipal and prefectural governments announced they will suspend nominating the company as a bidder in public works projects.

Kanagawa Prefecture and the city of Yokohama, south of Tokyo, decided to suspend nomination of Obayashi as a bidder for three months until April 17.

Okayama Prefecture and Kitakyushu City, western Japan, imposed a four months' ban on the company's participation in public works bids.

Coalition Says Agreement Set on Budget Schedule *OW1501125494 Tokyo KYODO in English 1219 GMT 15 Jan 94*

[Text] Kagoshima, Jan. 15 KYODO—The coalition government of Prime Minister Morihiro Hosokawa will compile the fiscal 1994 state budget around February 10, a senior ruling party official said Saturday.

Social Democratic Party [of Japan] (SDP) [SDPJ] Secretary General Wataru Kubo told reporters the Finance Ministry will reveal its budget plan on February 5.

Parties in the ruling coalition have already agreed on the budget schedule, said Kubo, the No. 2 man in the SDP, the largest among the seven ruling parties.

Kubo also said the government needs to prepare a third supplementary budget for fiscal 1993 in parallel with the compilation of the fiscal 1994 budget.

Japan's fiscal year starts April 1 and lasts through March 31 the following year.

In Japan, the government makes it a rule to compile budgets in late December. But this time, Hosokawa's cabinet put priority on the passage of political reform bills and postponed compilation of the fiscal 1994 budget to February.

Kubo reiterated the SDP's argument to implement an income tax cut as part of efforts to shore up the long sluggish Japanese economy. He called for issuing short-term, deficit-covering bonds to finance the tax reduction.

Kubo said the Hosokawa cabinet may resign en masse if it fails to gain Diet approval of the political reform bills during the current extraordinary Diet session ending January 29.

"On my forecast, the possibility of (the cabinet's) resigning en masse is strong," Kubo said.

The package of bills, designed to introduce single-seat electoral districts and impose antigraft measures, have been pending in the House of Councillors since November.

Hosokawa has staked his premiership on enacting the bills before the end of the current extended session of the Diet.

Budget Projected To Increase 3 Percent

OW1701124194 Tokyo KYODO in English 1058 GMT 17 Jan 94

[Text] Tokyo, Jan. 17 KYODO—The coalition government of Prime Minister Morihiro Hosokawa plans to formulate an austere state budget for fiscal 1994 to cope with straitened finances resulting from the recession, government sources said Monday [17 January].

The sources said the general account budget for the year beginning April 1 will be about 74 trillion yen, up about 3.0 percent in nominal terms over the original program for the current fiscal year.

The actual scale of the budget after complicated accounting adjustments, will fall substantially short of the original fiscal 1993 budget totaling 72.35 trillion yen, they said.

The government will be forced to issue deficit-covering national bonds for the first time in five years if proposed income tax cuts are implemented, they said.

The Finance Ministry plans to finalize its draft budget for fiscal 1994 by around February 5, with the government adopting its budget plan around February 10, the sources said.

The ministry at the same time is working out another pump-priming supplementary budget for fiscal 1993, the third in a series, they said.

The ministry estimates tax revenues in the coming fiscal year at around 58 trillion yen, compared with 55.68 trillion yen estimated for the current year.

It plans to issue 8 trillion to 9 trillion yen worth of construction bonds to make up for the revenue shortfall, the sources said.

The Finance Ministry plans to slash budgetary requests by government ministries and agencies by more than 700 billion yen to keep total expenditures to just under 50 trillion yen.

It will approve budgetary requests of some 8.9 trillion yen for public works projects in the new fiscal year, the sources said.

The budget for servicing outstanding national bonds will be held to around 15 trillion yen, down from 15.44 trillion yen for fiscal 1993, because of lower interest rates, they said.

Local governments will be requested to repay interest-free loans from the central government worth about 2.2 trillion yen ahead of schedule in fiscal 1994.

To ease the impact on finances of local entities, the central government will offer an equivalent amount of loans with funds raised through construction bond issues, the sources said.

Construction bonds worth a total 11 trillion yen will be issued during the new fiscal year, they said.

The total amount of national bonds to be issued will hit a record 15 trillion yen if bonds to cover income tax cuts are floated.

Tax Commission Director Comments on Tax Cuts

Effective Economic Stimulus

*OW1401140194 Tokyo KYODO in English 0720 GMT
14 Jan 94*

[Text] Tokyo, Jan. 14 KYODO—An income tax cut will stimulate the economy even if a consumption tax hike is included in the same tax reform law for later implementation, a government advisory tax panel said Friday [14 January].

"A tax cut might have been ineffective last year, but would be effective this year" with the economy "starting to show signs of hitting bottom," Kan Kato, chairman of the Tax Commission told reporters.

Against this backdrop, he reiterated that a tax hike would not undermine consumption, and the government and politicians should clearly state "a consumption tax hike and its timing" in the same law to guarantee repayment of "bridge" bonds to fund the tax cut.

But the rate of the new consumption tax, currently at 3 percent, does not necessarily have to be mentioned because the situation changes, said the head of the advisory panel to the prime minister.

Referring to opinions that an economic recovery with the tax cut will lead to increased tax revenues, Kato said such a scenario has already proved wrong in the United States under the administration of President Ronald Reagan.

"Bridge bonds are for repayment in the short term, and it's irresponsible... to borrow without any scheme for paying back," Kato said.

"Politicians may not win votes with a consumption tax hike... but those who correct public views instead of just following them are the true politicians," he said.

Kato stressed that "last-minute" spending can be expected before a sales tax hike as in the case of China. The panel is to study the Chinese case, he added.

The argument that a tax hike would dampen consumption is "absolutely a fiction" especially in Japan where savings are still high compared with other countries, Kato said.

As for signs of the economy hitting bottom, he cited recovering spending mainly on housing resulting from lower land prices, the impact of the yen's appreciation changing favorably for Japanese companies, and an expected increase in automobile purchases from the tax cut.

He also said the bribery scandals involving general contractors that have stymied progress in public works are near settlement, and the agreement on multilateral trade talks may lead to lower prices.

Meanwhile, a senior tax panel member told reporters the panel cannot support any issuance of deficit-covering bonds and wants the government to carry out the tax cut and hike in a single package.

But the panel, which resumed to discuss fiscal 1994 tax reform on Friday after suspension since mid-December, confirmed its stance of "leaving the decision to the government and the coalition parties," he told reporters after the meeting.

The member said the panel decided to discuss such reforms as methods to increase liquidity in the land market and corrections of unfair levy systems on non-profit institutions, he said.

As for a new timetable, he said members will meet on Tuesday and Friday next week, and hold meetings almost every day from the following week.

Earlier Remarks Corrected

*OW1401141694 Tokyo KYODO in English 1353 GMT
14 Jan 94*

[Text] Tokyo, Jan. 14 KYODO—The government should include the rate to which the consumption tax will be hiked in a measure to cut income and other taxes, the head of a government tax panel said late Friday [14 January], correcting remarks he made earlier in the day.

"Future consumption tax must be indicated... and should be stated in a package of tax reform bills" on cuts in income tax and taxes levied by local authorities on their residents, Kan Kato, chairman of the Tax Commission, told a press conference called to correct his comments.

Earlier, the head of the advisory panel to the prime minister told reporters, "It's not necessary now" to include the consumption tax rate as long as the package includes the timing of the hike.

The consumption tax, currently 3 percent, is levied on practically all goods and services.

Kato's earlier statement was apparently aimed at mollifying members of the ruling coalition—most notably the Social Democratic Party [of Japan]—who are strongly opposed to raising the consumption tax rate.

His retraction came after the Finance Ministry objected that his comments could be interpreted as virtually allowing a tax cut to be carried out separately from hiking the consumption tax.

Kato said the tax cut will stimulate the economy even if a consumption tax hike is included in the package for later implementation.

"The tax cut might have been ineffective last year, but would be effective this year" with the economy "starting to show signs of hitting bottom," he said.

A consumption tax hike would therefore not undermine consumption, and the government and politicians should clearly state the "consumption tax rate and its timing" in the proposed tax law to guarantee repayment of "bridge" bonds to fund the tax cut, Kato said.

He said the argument that a consumption tax hike would dampen consumption is "absolutely a fiction," especially in Japan where savings are still high compared with other countries.

"Last-minute" spending can be expected, as happened in China when the government there announced in December a new consumption tax, he said, adding the panel is to study the Chinese case.

Many computer simulations show that the economy may "suffer sluggish consumption for six months to a year" after the spending spree subsides, but will "recover in the following year," he said.

Japanese politicians and U.S. Government officials have voiced concerns that a tax cut would be ineffective if linked to a future consumption tax hike.

Referring to opinions that an income tax cut would spur economic recovery, leading to increased tax revenues, Kato said such a scenario has been proven wrong in the United States under the administration of President Ronald Reagan.

Concerning deficit-covering bonds, he said, "Bridge bonds are for repayment in the short term, and it's irresponsible... to borrow without any scheme for paying back."

"Politicians may not win votes with a consumption tax hike...but those who correct public views instead of just following them are the true politicians," he said.

As for signs of the economy hitting bottom, he cited recovering spending mainly on housing resulting from lower land prices, impact of the yen's exchange rate changing favorably for Japanese companies, and an expected increase in automobile purchases because of a cut in the tax on automobile sales.

He also said the bribery scandals involving general contractors that have held up public works projects are "near settlement," and the conclusion of the Uruguay Round of multilateral trade talks may lead to lower prices.

Meanwhile, a senior member of the tax panel told reporters the panel cannot support any issuance of deficit-covering bonds and wants the government to launch the tax cut and hike in a single law.

But the panel, which resumed discussing the tax reform Friday after a break since mid-December, confirmed its stance of "leaving the decision to the government and coalition parties," he said, speaking on condition of anonymity.

As for a timetable, the panel will meet on Tuesday and Friday next week and hold meetings almost every day from the following week with a target of issuing final proposals by the end of January, he said.

EPA's Kubota on Progress of Pump-Priming Package

*OW1801015394 Tokyo KYODO in English 0127 GMT
18 Jan 94*

[Text] Tokyo, Jan. 18 KYODO—The government's economic pump-priming package will be unveiled next Monday [24 January] at the earliest, Japan's top economic planner said Tuesday.

The seven ruling coalition parties are trying to coordinate their views on "the one pending issue" in writing the package, Economic Planning Agency (EPA) Director General Manae Kubota told a regular press conference.

Kubota was referring to a dispute among the seven parties over whether a consumption tax hike should be included in the package to cover proposed income tax cuts.

The Social Democratic Party [of Japan], the largest of the seven, has been strongly opposed to raising the consumption tax rate from the current 3 percent.

The coalition parties are prepared to "do all they can" toward this weekend in order to prevent a further delay in formation of economic steps, Kubota said.

She said a third supplementary budget for fiscal 1993 to finance the new economic package will be formulated along with the announcement of the economic measures.

Rengo Leader Urges Major Income Tax Cuts

*OW1801045294 Tokyo KYODO in English 0421 GMT
18 Jan 94*

[Text] Tokyo, Jan. 18 KYODO—Japan's top labor leader called Tuesday [18 January] for income tax cuts of nearly 10 trillion yen as part of the government's economic stimulus package.

Akira Yamagishi, chairman of the Japanese Trade Union Confederation (Rengo) with eight million members, made the appeal in a speech at a seminar hosted by the Federation of Employers Associations (Nikkeiren) in Urayasu, Chiba Prefecture.

Yamagishi said the political survival of the ruling coalition government under Prime Minister Morihiro Hosokawa may be at a risk if it fails to implement the major tax cuts.

Panel Proposes Easing of Real Estate Taxes

*OW1701130294 Tokyo KYODO in English 1106 GMT
17 Jan 94*

[Text] Tokyo, Jan. 17 KYODO—A project team formed by the seven parties in Prime Minister Morihiro Hosokawa's coalition government proposed Monday [17 January] that real estate taxes be eased to stimulate land transactions, officials said.

The proposal was contained in a report submitted to a policy-adjustment panel of the ruling parties by the project team on real estate and housing, the officials said.

The report proposes easing taxes on real estate dealings and on real estate held for use for public projects, they said.

It also calls for promotion of real estate purchases by government agencies for housing projects and an increase of funds for housing loans by the government-financed Housing Loan Corp., the officials said.

Relaxation of restrictions on housing construction are also proposed, they said.

The policy-adjustment panel will take into account the proposals in working out a program for tax system reforms for fiscal 1994, they said.

Panel Approves Mobile Phone Service Rate Cuts

*OW1801125694 Tokyo KYODO in English 1209 GMT
18 Jan 94*

[Text] Tokyo, Jan. 18 KYODO—An advisory panel in the Posts and Telecommunications Ministry on Tuesday [18 January] approved rate cuts for mobile telephone services proposed by telecom firms, ministry officials said.

The officials said applications for rate reductions for automobile, portable and other mobile telephone services have come from 27 companies, including NTT Mobile Communications Network Inc., a subsidiary of domestic telecom giant Nippon Telegraph and Telephone Corp.

The applications were approved by the Telecommunications Council, an advisory panel to the posts and telecommunications minister, they said.

The officials said the proposed rate cuts will amount to about 40 percent for basic monthly subscription fees and about 15 percent for initiation charges.

The rate reductions will take effect in April, they said.

Government To Ease Company Stock Buy-Back Rule*OW1401115094 Tokyo KYODO in English 1019 GMT 14 Jan 94*

[Text] Tokyo, Jan. 14 KYODO—The government will relax a restriction that works as a virtual ban on companies buying back their own shares, government sources said Friday [14 January].

The government has been studying the move as a means to help absorb excess shares in the market and boost sluggish share prices, they said.

The surplus shares, issued during the "bubble economy" period in the late 1980s, have been blamed for keeping the stock prices depressed.

According to the government's plans to revise the commercial code, companies hoping to buy back their own shares will be first required to change their articles of association with approval from more than two-thirds of their shareholders.

So far, such a change has required approval from all the shareholders, a rule that has served as a major obstacle.

Then they will have to put a buyback proposal to another vote that would require approval by more than half of the shareholders.

The shares to be bought back will have to be purchased on the stock market with the companies' own funds. No borrowing will be allowed for that purpose.

Up to 3 percent of the outstanding shares is the ceiling set for such purchases.

In addition, the shares so bought cannot be sold to third parties and must to be sold to in-house shareholding organizations of employees within one year, the sources said.

Transport Ministry Adds to Deregulation List*OW1701094794 Tokyo KYODO in English 0913 GMT 17 Jan 94*

[Text] Tokyo, Jan. 17 KYODO—The Transport Ministry on Monday [17 January] added an additional 130 items to the list of its deregulation program, ministry officials said.

The 130 items, all concerning permits and licenses, came on top of 400 items for deregulation the ministry submitted last November.

The ministry officials said the total of 530 items, if realized, will help reduce the ministry's work on permits and licenses by about 15 percent compared with the end of March 1992.

The additional list, which the ministry submitted to the Management and Coordination Agency on Monday,

includes the scrapping of 50 permits and licenses and easier regulations on 80 permits and licenses.

For instance, a regulation regarding the changing of names of ships will be done away with, while airlines and other transport firms will not have to seek government approval but only report when they want to introduce discount tickets.

The latest deregulation plans require revision of about 10 laws. The ministry plans to present bills for the legal revision in the next ordinary session of the Diet starting late this month for implementation in the summer.

Council Urges Easing Rules on Common Carriers*OW1801100394 Tokyo KYODO in English 0923 GMT 18 Jan 94*

[Text] Tokyo, Jan. 18 KYODO—Japan should allow domestic telecommunications firms to provide both domestic and overseas services, a government advisory panel said Tuesday [18 January].

In a report submitted to Posts and Telecommunications Minister Takenori Kanzaki, the Telecommunications Council also recommended scrapping restrictions on foreign ownership of telecommunications concerns.

The ministry is expected to implement the proposals as early as this summer.

Under the existing rules, domestic telecommunications firms are prohibited from offering both domestic and overseas services at the same time regarding satellite communications. They also limit foreign ownership of telecommunications companies to less than one-third.

But Japan has been under growing pressure from abroad to relax rules on foreign telecommunications concerns, as foreign enterprises step up satellite telecommunications services.

Government-Controlled Rice Drops 36 Percent*OW1401120194 Tokyo KYODO in English 1109 GMT 14 Jan 94*

[Text] Tokyo, Jan. 14 KYODO—The 1993 crop of rice inspected for sale under government control at the end of last year fell 36 percent from a year earlier to 4,005,000 tons, the food agency said Friday [14 January].

The decrease rate was steeper than the 26 percent fall in the national rice harvest, which totaled 7,834,000 tons, the agency said.

This shows a large portion of the harvest is being marketed freely outside government channels, with rice prices surging due to the poorest rice crop last year since World War II, officials said.

Of the total of unpolished nonglutinous and glutinous rice inspected, paddy-grown nonglutinous rice decreased 37 percent to 3,778,000 tons.

Ozawa Renews Regular News Conferences

*OW1701123294 Tokyo KYODO in English 1118 GMT
17 Jan 94*

[Text] Tokyo, Jan. 17 KYODO—Ichiro Ozawa, the governing coalition's chief tactician, on Monday [17 January] ended his two-month-long, all-out war with the media and resumed his regular news conferences.

"Today I resume my press conferences as were held previously," Ozawa told a crowd of reporters, breaking silence for the first time since November 8 last year.

Reflecting Ozawa's political clout, a number of reporters asked the Shinseito (Japan Renewal Party) secretary general for comment on wide-ranging issues.

Ozawa said nothing new, however, sidestepping all questions on his alleged entanglement in a widening money scandal involving the nation's leading general contractors.

Concerning 5 million yen he accepted from scandal-ridden Kajima Corp. in December 1992, the coalition's key strategist repeated his earlier statements that he took the cash as a legal political donation, not as a back-door fund.

In the November 8 press briefing, he acknowledged the acceptance of the money but stated he received the 5 million yen in accordance with the law.

Ozawa had since refused to hold news conferences following the clash between him and the press, which first broke in October.

The row erupted after Ozawa barred the NIHON KEIZAI SHIMBUN and the SANKEI SHIMBUN from his regular press conferences, accusing the national dailies of carrying inaccurate stories without asking him for comment.

Ozawa dismissed demands by journalists from the two news organizations and 14 others to lift the ban, insisting his news conferences were "a service to the press" rather than a duty to the public.

The lawmaker, who is said to have masterminded the ouster of the Liberal Democratic Party (LDP) from power last August, had scrapped the practice of holding briefings with reporters on his beat and met the press only at his "open" news conference.

The journalists from 16 major Japanese news organizations insisted Ozawa's action ran counter to his policy of opening his press conferences to all media, including magazines and foreign media.

At the outset of Monday's 30-minute press briefing, Ozawa said he decided to resume his news conferences because he and the 16 news organizations reached an accord that they will try to resolve future differences through dialogue.

On the issue of political reform, he voiced confidence in the passage of a package of government-sponsored political reform bills before the current Diet session ends January 29.

Ozawa said that after the passage of the reform legislation, on whose enactment Prime Minister Morihiro Hosokawa has staked his political fate, economy-spurring measures and administrative reform would be high on the agenda.

He declined comment on a reported shakeup of the Hosokawa cabinet after the passage of the reform package, saying only that the premier has the authority to reshuffle the cabinet.

Last June, Ozawa broke away from the LDP with his loyalists to create Shinseito, which subsequently joined hands with six other parties to deprive the LDP of its 38-year hold on power.

Experts Urge Diet To Pass Reform Bills

*OW1701084194 Tokyo KYODO in English 0735 GMT
17 Jan 94*

[Text] Tokyo, Jan. 17 KYODO—Three outside experts recommended by the ruling and opposition parties to give their views on political reform bills urged the Diet on Monday [17 January] to enact the measures during the current session.

They made the plea to the House of Councillors on the first day of hearings in which members of the public give their views on the issue—a prerequisite before the bills can be out to a vote on the floor of the upper chamber.

The bills, designed to rid politics of corruption, cleared the more powerful House of Representatives last November.

The ruling coalition last month extended the current Diet session by 45 days until January 29 to achieve Prime Minister Morihiro Hosokawa's target to get the reform bills into law by the end of the parliament session.

Osamu Nishi, a professor at Komazawa University, Miyagi Gov. Shiro Asano and former upper house member Mitsuyoshi Yajima expressed their views on the issue at the morning session of the public hearing held in Tokyo prior to Tuesday's hearings in five provincial cities.

Nishi, recommended by the main opposition Liberal Democratic Party (LDP), said that if the Diet fails to legislate the bills, which could be enacted with a little more effort, the people's distrust in politics will deepen.

Nishi urged both ruling and opposition parties to move closer to each other, saying, "it is important to find a compromise."

Asano, recommended by the ruling coalition, said "there is no system that is 100 percent perfect, but if (the bills) have an ounce of ideals, I want (the Diet) to enact them during the current session."

Yajima, also recommended by the coalition, rapped movements in the Diet against the bills.

On amending the bills, however, Yajima urged the Diet to take enough time to make whatever improvements are possible, suggesting the next regular Diet session, slated to start in late January, should tackle the matter.

The bills call for replacing the current multiseat constituencies for the 511-member lower house with a mixture of 274 seats elected through single-seat districts and 226 through nationwide proportional representation, as well as tightening curbs on fund-raising activities.

The existing electoral system is believed to be a major cause of lavish campaign spending because of competition among candidates of the same party in single districts, while the current political fund control law is seen as having loopholes that make it possible for politicians to escape punishment for wrongdoing.

Meanwhile, the coalition reaffirmed Monday that it will call a vote on the bills at Wednesday's session of the upper house's political reform committee, a crucial step prior to a vote of the full house.

At a meeting of leaders from the government and coalition parties, Wataru Kubo, secretary general of the largest coalition member, the Social Democratic Party [of Japan] (SDP) [SDPJ], reaffirmed a desire to conclude upper house debate on political reform on Wednesday, Deputy Chief Cabinet Secretary Yukio Hatoyama said.

Kubo, who heads the coalition's task force on political reform, was quoted as saying the date to put the reform measures through the upper house panel should be decided Monday even if the opposition disagrees.

The coalition will have to set the date by submitting an emergency motion to the upper house panel, Kubo was quoted as saying.

The LDP, on the other hand, will propose to the coalition the holding of a meeting aimed at amending the bills so that the two sides can come closer on the political reform process, LDP officials said.

Senior LDP members of the upper house committee are expected to make the proposal to their coalition counterparts on Monday evening, they said.

The ratio of single-seat districts in the dual system, the electoral unit for proportional representation, and corporate political donations are major contentious issues between the two sides.

In the 252-seat upper house, the ruling coalition has 131 seats, while the LDP holds 99, the Japanese Communist Party (JCP) 11, the Niin Club five and independents five.

Several upper house members of the SDP have expressed opposition to the bills and could vote against them or abstain, greatly weakening the coalition's chances of passing the bills in the upper house.

Ozawa Confident on Passage of Reform Bills

OW1701102694 Tokyo KYODO in English 1001 GMT 17 Jan 94

[Text] Tokyo, Jan. 17 KYODO—The main strategist of Prime Minister Morihiro Hosokawa's coalition on Monday [17 January] expressed confidence that four government-sponsored political reform bills will become law in the current Diet session.

"I do not expect the legislation to be voted down," Ichiro Ozawa, secretary general of Shinseito [Japan Renewal Party], said at a news conference, referring to the voting on the reform bills at a House of Councillors plenary session expected later this week.

Ozawa said most people must long for the enactment of political reforms in the current extraordinary Diet session, which ends January 29.

On possible talks between the ruling coalition and the main opposition Liberal Democratic Party (LDP) to seek a compromise on the final shape of the reform legislation, he said the LDP should prepare its own compromise plan before seeking negotiations with the coalition.

"Discussion for modifications should be premised on the LDP's pledge to achieve reform during the current Diet sitting and its presentation of specific areas for possible fine-tuning," he said.

The government package, featuring a rearrangement of the electoral system for the House of Representatives and stricter curbs on campaign funding, cleared the lower house in mid-November.

Hosokawa has vowed to achieve political reform by the close of the current Diet session.

Obstacles to passage of the bills remain, however, with some upper house members of the Social Democratic Party [of Japan] the largest force in the ruling coalition, opposed to certain aspects of the package.

Ozawa, a former LDP secretary general, is said to have masterminded the formation of the seven-party coalition last August after he and his followers quit the LDP and inaugurated Shinseito in June.

He said he believes additional pump-priming measures and administrative reform will be two major tasks for the Hosokawa government in the event of passage of the political reform package.

Monday's news conference was Ozawa's first in about two months. He had refused to speak to the media on the grounds that two national dailies carried inaccurate reports of his press conferences.

Panel To End Debate on Political Reform 19 Jan

OW1701142794 Tokyo KYODO in English 1408 GMT
17 Jan 94

[Text] Tokyo, Jan. 17 KYODO—The chairman of a House of Councillors political reform committee said Monday [17 January] he will wrap up debate on a package of government-proposed political reform bills on the committee floor Wednesday.

Yubun Ueno's comment paves the way for voting on the bills by the committee later the same day.

"I decided to hold a panel session on January 19 prior to a final vote," Ueno said.

The government and the seven-party ruling coalition have been trying to force the bills through the committee by Wednesday and through the House of Councillors by Friday at the latest.

The opposition Liberal Democratic Party (LDP) proposed a plan to modify 10 points in the government's bills as a condition for endorsing them, but the coalition rejected them and is ready to get the bills through the committee and an upper house plenary session without any revision.

The bills cleared the more powerful House of Representatives on November 18.

Two of the 10 points demanded by the LDP are a continuation of donations by enterprises and groups to individual politicians and a ban on visits by candidates to the homes of voters.

The LDP also called for revising the system whereby votes are counted by treating the whole of Japan as an electoral district for proportional representation in lower house elections.

The government bills allow candidates to visit voters' homes for 12 hours from 8 A.M. during campaign days and bar firms and groups from donating money to individual politicians.

The government wants 274 single-seat districts and 226 seats decided by proportional representation, cutting the current total of 511 seats in the lower house to 500.

The lower chamber killed the LDP-proposed bills on November 18.

The bills, designed to revamp Japan's corruption-tainted politics, set the amount of public money available annually for political activities at 30.9 billion yen, a figure proposed by the LDP, down from the coalition's initial proposal of 41.4 billion yen.

The upper house delayed deliberation of the government's bills after they cleared the lower house, and the Diet voted December 15 to extend for 45 days beyond the deadline of the 90-day session to January 29.

LDP Releases Draft Party Action Program

OW1801124694 Tokyo KYODO in English 1220 GMT
18 Jan 94

[Text] Tokyo, Jan. 18 KYODO—The main opposition Liberal Democratic Party (LDP) formulated on Tuesday [18 January] its 1994 draft action program that lambastes the ruling coalition and shows the party's desire to recapture the reins of government.

The draft action program, subtitled, "Let's Win Back Power and Do Our Best To Boost the Economy so as To Protect the National Life," is scheduled to be adopted at the LDP's annual convention on Friday.

According to the draft plan, the LDP, toppled from power last August after 38 years in power, describes the government of Prime Minister Morihiro Hosokawa as "a weird government filled with deception and contradiction."

The LDP asserts its fall from power is not attributable to its mistakes on policy matters but to its defectors' move to join hands with other parties in their lust for power, the draft says, referring to an LDP splinter, Shinseito (Japan Renewal Party).

It says the Social Democratic Party [of Japan] (SDP) [SDPJ], the largest force in the seven-party coalition, is remote from other partners on its stance on basic policies such as diplomacy, national security and the partial opening of Japan's rice market.

In the plan, the LDP also slams coalition member party Komeito for its alleged violation of the Constitution which stipulates the separation of religion and politics. Komeito is backed by a Soka Gakkai, a Buddhist lay organization.

The presence of the SDP and Komeito in the coalition "puts the Hosokawa cabinet in imminent danger," the draft argues.

In a thinly disguised reference to Shinseito Secretary General Ichiro Ozawa, who is said to be controlling Hosokawa from behind the scenes, it says the coalition has shown the "dictatorial nature" through its management of political and other issues.

On political reform, the draft action program says the now-deposed LDP will seek further modifications of a package of government-sponsored reform measures in its favor and push them through in the current extraordinary Diet session, due to end on January 29.

The reform legislation, aimed at rooting out rampant political corruption, cleared the House of Representatives in mid-November and is pending in the House of Councillors.

The LDP and the coalition still remain apart on the final shape of the bills, including the balance between single-seat constituencies and the proportional representation system for new lower house elections.

To ensure its comeback to power, according to the draft, the LDP should repent from its lawmakers' involvement in an array of past scandals, boost its self-cleansing power and give strong discretion and power to the party president and party organizations.

The draft program calls for the LDP to continue its stance against turning Japan into a military superpower in favor of amendments to the Constitution.

Noting Japan should occupy a permanent seat on the United Nations Security Council, the LDP will raise awareness of Japanese people on the matter, the draft says.

Burma Junta 'May Release' San Suu Kyi in Jul
OW1701115194 Tokyo KYODO in English 1125 GMT 17 Jan 94

[Text] Yangon [Rangoon], Jan. 17 KYODO—Myanmar's [Burma's] ruling military junta may release opposition leader Aung San Suu Kyi, under house arrest since July 1989, in July this year, a Myanmar official said Monday [17 January].

Khin Nyunt, first secretary of Myanmar's State Law and Order Restoration Council, told Japanese reporters that the legitimate period of her house arrest will expire in July. Myanmar's law limits the period of house arrest to a maximum of five years.

Aung San Suu Kyi, 48, a Nobel peace prize laureate, led the National League for Democracy (NLD) to a landslide victory in the 1991 general election but was denied the power to head the government.

North Korea

Third Round of Talks With U.S. 'Deadlocked'
SK1601084394 Pyongyang KCNA in English 0826 GMT 16 Jan 94

["Nuclear Issue on Korean Peninsula Can Be Solved Only Through DPRK-U.S. Talks"—KCNA headline]

[Text] Pyongyang, January 16 (KCNA)—The nuclear issue on the Korean peninsula is a matter which can be solved only through talks between the DPRK and the United States in view of its background or its character, says NODONG SINMUN today.

The nuclear problem on the Korean peninsula has been raised since the United States deployed nuclear weapons in South Korea against the DPRK and it has become all the more grave matter with continued nuclear threat to the Korean people from the ground, sea and sky with South Korea as the largest nuclear forward base in the Far East, the paper points out, and continues:

The United States is the very one who creates nuclear threat on the Korean peninsula and the DPRK is the victim who is exposed to the nuclear threat for scores of years.

The DPRK and the United States are the parties concerned who are mainly responsible and have authority to settle the nuclear issue on the Korean peninsula. This matter, therefore, can be solved through dialogue and negotiations between the United States, maker of nuclear threat against us, and the DPRK, a victim.

At the first round of the talks, both sides discussed and agreed on the matters of principle in the solution of the nuclear issue on the Korean peninsula and made public a joint statement, and at the second round of the talks, the sides discussed practical steps to implement the principles agreed upon in the joint statement. But the third round of the talks has been long deadlocked by moves of the Western insound [as received] forces and their followers.

Out of the desire to fundamentally solve on an equal and fair basis the nuclear problem on the Korean peninsula, the DPRK side put forward a formula of package dealing and has consistently made efforts for an agreement at working-level contacts between both sides.

At the 18th DPRK-U.S. contact held on December 29 last year, the sides agreed to discuss in a package deal the issues for a fundamental solution of the nuclear problem.

The DPRK-U.S. contacts show that the nuclear problem on the Korean peninsula can be solved in a fair and peaceful way when both sides display the spirit of mutual understanding and cooperation.

A fair solution to the nuclear problem on the Korean peninsula favours the interest of the U.S. itself.

The lesson of the DPRK-U.S. contacts since the second round of the talks is that the matter can never be untangled by means of resorting to delaying tactics or putting pressure, placing unreasonable precondition and, moreover, the threat and hostile act infringing upon the dignity and sovereignty of the partner of dialogue will lead the situation to a catastrophe.

If the principles already agreed upon between the DPRK and the United States are observed and implemented, the nuclear problem on the Korean peninsula would be solved fairly.

ROK Accused of Laying 'Hurdles' in U.S. Talks

*SK1601083394 Pyongyang KCNA in English 0818
GMT 16 Jan 94*

**["Imprudent Utterances of Nuclear War Servant"—
KCNA headline]**

[Text] Pyongyang, January 16 (KCNA)—The traitor Kim Yong-sam, when he met the U.S. assistant secretary of state a few days ago, said that suspicion of nuclear production in the North cannot be removed by such a mere fact as continuity of safeguards, and a spokesman of the puppet Foreign Ministry rattled that though there was progress in the DPRK-US contact, a solution cannot be found overnight and that they cannot hastily believe the North.

NODONG SINMUN today says they uttered this from a cantankerous intention to lay hurdles in the DPRK-U.S. talks and hinder the settlement of the nuclear problem, not satisfied with the fact that the DPRK and the United States agreed to hold the third round of the talks and discuss in a package deal the issues for a fundamental solution of the nuclear problem.

The news analyst goes on:

If the Kim Yong-sam clique really wants the denuclearization of the Korean peninsula for the sake of the nation, it should welcome the successful progress of the DPRK-U.S. talks and do favourable for it. However, the South Korean puppets are misbehaving themselves, not satisfied with the DPRK-U.S. talks because their attempt to realise an "international cooperation system" and take sanction against the fellow countrymen may fail. Furthermore, it stems from a criminal attempt to obstruct the settlement of the nuclear issue on the Korean peninsula and leave South Korea to the mercy of the United States as a nuclear base.

As to the nuclear problem on the Korean peninsula, it was raised as the United States shipped nuclear weapons into South Korea.

If the traitor Kim Yong-sam worries a little about the destiny of the fellow countrymen and really wants the denuclearization of the Korean peninsula, he should not make much ado about the settlement of the fictitious nuclear issue in the North but take issue with the U.S. nuclear weapons and bases in South Korea and talk about the question of their withdrawal and dismantlement.

He is making a noise about the fictitious nuclear issue of the North in a bid to find a pretext for putting out of argument the U.S. nuclear weapons in South Korea to keep them and justifying his move to develop nuclear weapons.

He should keep in mind that it precipitates his self-ruin to keep North-South relations in a state of sharp confrontation and rupture, taking issue with the unfamiliar

"nuclear problem of the North" at other's beck and call though he has no actual power to resolve the nuclear problem.

SPA Chairman on Yi Ki-taek Intention To Visit

*SK1501083194 Pyongyang Korean Central
Broadcasting Network in Korean 0703 GMT 15 Jan 94*

[Press statement (tamhwa) issued by Yang Hyong-sop, alternate member of the Political Bureau of the Workers Party of Korea Central Committee and chairman of the Supreme People's Assembly, on 15 January; place not given—read by announcer]

[Text] Today our nation is faced with the important task of advancing the cause of the fatherland's reunification through the united strength of the whole nation.

In his historical New Year's address, the great leader Comrade Kim Il-song taught that all Korean fellow countrymen of the North, South, and overseas must unite as one under the banner of the great national unity to carry out the nationwide struggle so that a new phase can be opened this year in the fatherland's reunification.

Currently, our people are infinitely encouraged by the great leader's New Year's address and are vigorously carrying out the struggle to achieve the country's socialist construction and the fatherland's reunification starting with the beginning of the year. The South Korean people and fellow countrymen overseas are also actively taking part in the struggle to achieve reunification in the nineties embraced with the new enthusiasm for the fatherland's reunification.

Right at this time, in his New Year's news conference on 12 January, Yi Ki-taek, executive chairman of South Korea's Democratic Party [DP], expressed concern over the current South-North relations and the will to meet the great leader by personally visiting Pyongyang to improve South-North relations, which are at a stalemate.

I recognize that Executive Chairman Yi Ki-taek's will to visit Pyongyang is motivated by his ardent patriotic sentiment, which is naturally possessed by people who worry over the fate of the country and nation. I express support for and welcome it.

Our Republic's Government has for a long time transcended differences in ideology, ideas, and systems to promote great national unity. With the desire of reunifying the fatherland, our Republic's Government put forth bilateral and multilateral negotiations of responsible politicians of the North and South and, thus, exerted sincere efforts to realize it.

I believe that now is the time when responsible politicians of the North and South must gather together to dissolve the acute confrontational relations within the nation and jointly seek ways to open a new phase in the country's peace and peaceful reunification.

If South Korea's DP Executive Chairman Yi Ki-taek visits Pyongyang with this purpose, we will welcome him with all our hearts and will open-mindedly discuss with him the nation's matter of grave concern. I express the hope that Executive Chairman Yi Ki-taek will visit Pyongyang as his first trip this year for national reconciliation, unity, and the country's reunification in line with the desire of the whole nation.

'Provocative' ROK Ground Attack Exercise Noted
SK1501044894 Pyongyang KCNA in English 0407 GMT 15 Jan 94

[Text] Pyongyang, January 15 (KCNA)—The U.S. imperialists held provocative combined aerial war exercises against the North in the skies above Kunwi, Koesan, Yaju, Uijongbu, Yongwol, Pyongchang, Yechon, Kapyong and Chunchon, South Korea, Wednesday and Thursday [12, 13 January] with the mobilization of overseas-based fighter-bombers, pursuit assault planes and observation planes such as F-16s, A-10s and FA-18s as well as warplanes belonging to the U.S. Seventh Air Force, according to military sources.

A total of 350 warplanes were involved in the exercises.

In another development, ground units of the puppet army held a ground attack exercise for a surprise breakthrough on the military demarcation line in Cholwon County, South Korean Kangwon Province, Thursday with the support of fighters and helicopter gunboats.

A group of puppet army tanks deployed in Paju County advanced up to the bank of the Imjin River together with infantry units, firing scores of shells.

Large-calibre artillery units and armed bandits of the puppet army went off into war hysterics, firing shells and bullets in Yonchon, Paju and Cholwon counties.

The war exercises of the U.S. imperialists and the South Korean puppets were premeditated provocations to deliberately aggravate the tensions on the Korean peninsula.

CPRF Spokesman's Statement on ROK Remarks
SK1801024094 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 17 Jan 94

[Statement by the spokesman for the Committee for the Peaceful Reunification of the Fatherland in Pyongyang, 17 January—read by announcer]

[Text] A Committee for the Peaceful Reunification of the Fatherland [CPRF] spokesman has issued a statement in connection with the bellicose, absurd remarks made by the South Korean puppets as soon as the New Year began in order to aggravate tensions while seeking a large-scale war rehearsal.

A statement of the CPRF spokesman:

With the start of the new year, the South Korean puppets are making bellicose, absurd remarks aimed at further expanding provocative war rehearsals and thus aggravating tensions this year. According to a report, South Korea's so-called hardliners toward the North and military warmongers said that even if the Team Spirit joint military exercise were to be suspended this year, they would expand another kind of South Korea-U.S. joint military exercise to fill the gap created. In the SEOUL SINMUN, a paper produced and patronized by the government, they said that they would conduct a large-scale war rehearsal combining the two military exercises, Ulchi and Focus Lens, in August in case the Team Spirit exercise should be suspended.

Prior to this, the South Korean ruler and military leaders, in a so-called New Year news conference and New Year opening ceremony, picked on us again and made bellicose, absurd remarks without hesitation, referring to complete combat readiness and establishment of an emergency combat posture. While all fellow countrymen are resolved with high aspirations to make the year of 1994 a year of achieving national reconciliation and unity and bringing a turning point for peace and peaceful reunification, the South Korean authorities are agitating confrontation and war in their attempt to conduct a new large-scale war rehearsal in place of the Team Spirit joint military exercise. This shows that they intend to seek confrontation and war rather than national reconciliation and unity again this year.

The CPRF sternly denounces the South Korean puppet clique's war frenzy of seeking a large-scale war rehearsal against us in order to aggravate the North-South relations and lead the situation on the Korean peninsula to a grave catastrophe, with the start of the new year, and brands it an open challenge to the entire nation that desires alleviation of tension, peace, and peaceful reunification.

As has been known, as a measure to resolve the nuclear issue on the Korean peninsula, the issue of suspending the Team Spirit joint military exercise in South Korea is on the order of the day. At a time like this, the South Korean authorities are scheming to conduct another kind of large-scale joint military exercise to replace the Team Spirit joint military exercise, thus attempting to put a brake on the progress of the DPRK-U.S. talks and to lay a new grave obstacle to resolving the nuclear issue on the Korean peninsula.

Even if the Team Spirit joint military exercise is suspended in South Korea, if another joint military exercise is conducted, the suspension of the Team Spirit nuclear war rehearsal will in fact become meaningless. If things turn out this way [ironisiguro nagandamyon], the nuclear issue cannot be resolved on the Korean peninsula, nor can the alleviation of tensions or peace be realized, and a more dangerous war situation will prevail instead. The South Korean ruling bunch should never miscalculate [opan] our demand to suspend the provocative large-scale war rehearsal.

We are not only prepared for dialogue but are well prepared for war as well. No matter how precious peace may be, we will never beg for it. We will resolutely counter [taecho] reckless acts of provokers.

Confrontation, war, and civilian democracy [munmin] are incompatible. If the South Korean authorities that claim themselves to be advocates of civilian democracy, continue to follow the road of confrontation and war in collusion with foreign forces, ignoring fellow countrymen who desire reconciliation, unity, detente, and peace, they will certainly pay a dear price for the nation.

[Dated] 17 January 1994, Pyongyang.

ROK Criticized for 'War Hysterics'

SK1801051094 *Pyongyang KCNA in English* 0442
GMT 18 Jan 94

["War Hysterics From Beginning of the Year"—KCNA headline]

[Text] Pyongyang, January 18 (KCNA)—The Kim Yong-sam puppet clique declared that they would stage in summer an integrated drill of the "Ulchi" and "Focus Lens" exercises which had been held as annual functions in league with outside forces.

Branding this as a premeditated and deliberate move to push the North-South relations to a more acute phase of confrontation and war from the beginning of the year, a MINJU CHOSON news analyst says:

It goes without saying that the suspension of the "Team Spirit" joint military exercises will lose its meaning in case a greater war game than the "Team Spirit" is staged. If things go like this, the "nuclear problem" will remain unsolved on the Korean peninsula indefinitely, to say nothing of detente and peace.

By more desperately resorting to war moves, the Kim Yong-sam group reveals once again that it is a group of warlikeness and traitors outdistancing the preceding military dictators.

Politics is in confusion in South Korea. Through several working contacts between the DPRK and the United States, the third round of talks was put on the order of the day and it was agreed to settle the issues in a package deal as proposed by the DPRK.

Driven to a miserable position under such situation, the traitor Kim Yong-sam is getting hysteric in North-South confrontation and staging feverish war games from the beginning of the year and is scheming to stage a war game surpassing the "Team Spirit" joint military exercises in summer. This is intended to threaten the DPRK and put a spoke in the wheel of the DPRK-USA talks, the key to the solution of the nuclear problem and peace on the Korean peninsula.

The Kim Yong-sam puppet clique must look straight at the reality and act with discretion.

WPK Central Committee Secretary Visits China

SK1501104994 *Pyongyang KCNA in English* 1039
GMT 15 Jan 94

[Text] Pyongyang, January 15 (KCNA)—Secretary of the Central Committee of the Workers' Party of Korea Hwang Chang-yop and his party left here today to visit China. They were seen off at the airport by vice-director of a department of the WPK Central Committee Kim Yang-gon and Chinese Ambassador to Korea Qiao Zonghuai.

'Promising' Computer Software Industry Viewed

SK1701103794 *Pyongyang KCNA in English* 1014
GMT 17 Jan 94

[Text] Pyongyang, January 17 (KCNA)—The Korean computer centre, which stands on a bank of the Taedong River in Pyongyang, is a promising export centre of computer software.

In the past three years since its inauguration, the centre has developed many softwares for the computerization of production processes and control of machine devices including lathes by various computers, an aggregation of advanced technology.

Last year, the researchers of the centre developed Pyongyang word processing programme "Sogwang", a production process automation system, an office automation programme, a pattern designing software, an architectural designing system, an expert system and other softwares.

These softwares are available for personal computers, the most popularized one in the world.

Many systems and programmes have proven effective in the computerization of factories and enterprises in different domains of the national economy and some of them are exported. The softwares developed by the centre are in great demand externally. The educational Taegwon-to programme enjoyed high popularity among the participants in the first World Junior Taegwon-to Championship held in Moscow last year.

The employees of the centre are developing programmes of wide variety to meet the growing external demand, while receiving orders from foreign countries.

Displaying Spirit of Self-Reliance Urged

SK1601092194 *Pyongyang Korean Central Broadcasting Network in Korean* 0200 GMT 14 Jan 94

[NODONG SINMUN 14 January editorial: "Let Us Vigorously Advance, Upholding the Banner of Self-reliance"]

[Text] The great leader Comrade Kim Il-song, in his New Year's address, set forth a militant slogan, "Let us vigorously accelerate the general onward march of socialism with the revolutionary spirit of self-reliance

and hard struggle," and called on the entire party and all the people to continue on for the great victory.

The revolutionary slogan reflects the intent of the party and the leader [suryong] who wish to make 1994 a year of historic upturn in our country's revolution and construction by lifting a strong wind of self-reliance in the entire country. Today, the revolutionary slogan of self-reliance and hard struggle grabs the hearts of our people and encourages them to march toward a new feat.

The dear leader Comrade Kim Chong-il has noted: The prevailing situation demands us more than ever before to highly display the revolutionary spirit of self-reliance and hard struggle. Our people's history of socialist construction is the history of self-reliance. Because our people have a strong revolutionary spirit of rising from the ruins with their own strength, believing in only the party and the leader [suryong], they were able to effect the great Chollima upsurge in the difficult postwar days and firmly adhere to the socialist cause by smashing all sorts of the imperialists' obstructionist maneuvers. Self-reliance is the only road to existence and to displaying the dignity of the nation; this is the truth that our people have learned by paying a dear price.

All party members and working people should now advance by upholding the militant slogan of self-reliance. This is an important requirement for thoroughly implementing the party's revolutionary economic strategy and brilliantly carrying out the tasks of the adjustment period for socialist economic construction.

Our party's revolutionary economic strategy is the wisest formula of economic construction aimed at satisfactorily guaranteeing the people's living condition in conformity with socialist requirements and dislodging a new position of attack to occupy a higher land of socialism. This economic strategy calls for displaying limitless economic potentials. It is our party's strategic plan, out of the principle of self-reliance, to rapidly develop light industry, agriculture, and foreign trade with our own strength, technology, and resources so as to highly enhance the people's living condition in the near future.

This year is a first year of the adjustment period. The success of this year's struggle depends on how all the people will display the revolutionary spirit of self-reliance and hard struggle. When everyone fights with the same strong spirit of self-reliance that once filled the thick forest of Mt. Paektu and the same spirit of hard struggle with which we shoveled for the first time after the war, the flame of great revolutionary upsurge will be kindled again in every domain of the socialist construction.

Everyone displaying the spirit of self-reliance and hard struggle comes as a decisive factor in consolidating the might of self-dependent economy and smashing the imperialists' maneuvers of isolation and obliteration.

The might of the people who fight with a firm conviction in their own strength is infinite and no enemy can match

the power of such masses. The achievements of last year's struggle that brilliantly adorned the final year of the Third Seven-Year Plan in a sharp political, military confrontation with the imperialists prove this eloquently.

Today's prevailing situation in which the imperialists beef up suppression and blockade as never before and a great change takes place in the country's external economic relations demands that we further strengthen a self-dependent economy in any condition. In order to do so, the principle of self-reliance should be firmly adhered to. No one can touch us when the foundation of a self-dependent economy is firm. The slogan of self-reliance is the most reasonable slogan that totally corresponds to the basic interest of our revolution and construction and is a revolutionary slogan that turns misfortune into fortune.

All party members and working people should bring about a constant innovation and continue to advance, upholding the party's slogan, "Let us accelerate the general onward march of socialism with the revolutionary spirit of self-reliance and hard struggle."

Above all, we, with a firm conviction in our strength, should keep in our hearts the chuche-oriented point of view and position that we will only live in our own way. The chuche-oriented point of view and conviction are ideological and spiritual foundations of self-reliance. A strong mettle that anything can be accomplished with one's own strength in whatever circumstances and an inexhaustible creative power that creates something out of nothing all stem from the chuche-oriented conviction.

All party members and working people should vigorously advance with the firm confidence in the great leadership of our party which leads our socialist cause into the single road of invincibility; the might of our revolutionary ranks which is being single-heartedly united by the masses, the party, and the leader [suryong]; and the might of our self-independent economy which does not vacillate in whatever storm.

When the party members and working people keep in their hearts the strong conviction in victory that we will surely win as long as the dear comrade leader leads our socialist cause, the revolutionary ethos of self-reliance and hard struggle will be even more displayed in any place.

For those who have the firm chuche-oriented point of view and position, there will be no incident of looking at others and relying on others' strength. We believe in our own strength and should vigorously press ahead with production and construction with our own technology, materials, and natural resources.

Our party members and working people, when manufacturing a single part of a machine or a single necessary item of life, should make them of good quality and strive to develop science technology that matches the current situation of our country. In order to demonstrate the

revolutionary spirit of self-reliance and hard struggle, it is important for our party members and working people to have a strong will and mettle to implement revolutionary tasks presented by the party without fail.

At a time when a grand march to adorn this year as a year of revolutionary upturn is being waged, what we need is the spirit of absoluteness and unconditionality of patriotic forefathers of the anti-Japanese revolution who strived with the conviction that they have no right to die unless there is an order from the comrade supreme commander and the indefatigable revolutionary spirit of heroic fighters of the Fatherland Liberation War who defended a height of the nation, sacrificing their lives.

All party members and working people should surely carry out their revolutionary tasks presented by the party with their strength, wisdom, and devoted struggle, upholding the party's slogan, "When the party decides, we will act."

In all domains of the national economy, this year's national economic plan should be unconditionally fulfilled by the day, by the month, by the quarter, and by the indicators by mobilizing all possible efforts, resources, and equipment. In particular, major domains of the national economy, such as the light industry, agriculture, foreign trade, the coal industry, the power industry, transport by railway, and the metal industry, should boldly carry out a struggle to fulfill the party's revolutionary economic strategy by highly displaying the revolutionary spirit of self-reliance and hard struggle.

In all sectors and units, the production and conservation struggle should be waged to mobilize internal reserves to the maximum. This is an important requirement for thoroughly embodying the principle of self-reliance in the economic construction.

Our country's socialist self-independent economy has a great production potential. The question lies in searching all sorts of internal reserves by buckling down with firm resolve. Just as work to mobilize internal reserves were vigorously waged in every place to create the speedy advance of Chollima by upholding the decision made at the plenary session in December, 1956, the entire party and all the people should turn out in the effort to strengthen the production and conservation struggle.

All domains and units should satisfactorily carry out maintenance and supplementary work for production facilities, management of facilities and manpower, and the work of supplying materials so that all facilities are fully operated and production is normalized at a high level.

Today's circumstances demand that all domains carry out the nation's housekeeping in a frugal manner and more highly raise the beacon of struggle for conservation.

All party members and working people should unanimously rise in the work for conservation of fuel, energy, raw materials and other materials, including electricity and coal.

Those who save even a watt of electricity, a handful of coal, and a piece of grain can be called genuine patriots who live and struggle with the spirit of self-reliance and arduous struggle.

For the guiding functionaries to thoroughly embody the revolutionary slogan of self-reliance and arduous struggle in all fields of socialist construction, they should properly carry out the combat organizational work with staunch revolutionary spirit.

The position on which the commanding members should stand in this year's tense struggle is in the vanguard of the ranks. All guiding functionaries should boldly break through all difficulties they face with their own strength with ardent passion and revolutionary determination to carry to accomplishment without fail the party's revolutionary economic strategy. They should inspire production masses to the struggle to actively mobilize internal reserves and to increase production.

The functionaries with a strong revolutionary spirit of self-reliance are the people who, without exception, make tenacious efforts to constantly revolutionize and classicize themselves.

Rejecting stagnation and stalemate, the guiding functionaries should always live with the spirit of crossing the blazing river and bog. They should deeply mingle with the masses, sharing the same food with them, and should learn from them our people's excellent trait of struggling for self-reliance.

It is important in making the whole nation overflow with the revolutionary spirit of self-reliance and the arduous struggle to enhance the political functions and role of party organizations at each level.

Party organizations should strengthen organizational and political work so that all party members and working people unanimously rise in the struggle to strengthen the self-supporting nature and might of our economy by upholding the great leader Comrade Kim Il-song's New Year's address and decisions of the 21st plenary session of the Sixth Party Central Committee.

Party organizations should make all working people keenly realize that self-reliance is the only way for survival and is the road to victory, through brilliant realities in our country and the situation in the countries where socialism was frustrated.

The revolutionary spirit of self-reliance displayed during the postwar period of the great Chollima upsurge is a driving force which will vigorously push ahead with our revolution and construction today and in the future.

Party organizations should actively lead all party members and working people so that they live and struggle

with the spirit cherished during the difficult postwar period when they produced more steel material and even manufactured trucks and tractors.

Assuming our party's revolutionary slogan of self-reliance and arduous struggle as the guideline and principle in their struggle and life, all people should more vigorously fight to glorify history of socialist construction in our country forever as the proud history of self-reliance.

South Korea

U.S. 'Demanding' N-S Treaty on Denuclearization

SK1701025194 Seoul TONG-A ILBO in Korean
17 Jan 94 p 1

[Text] It has been learned that the U.S. Government is demanding that our government and North Korea make the "Joint Declaration on Denuclearization of the Korean Peninsula" an international treaty lest they possess nuclear reprocessing facilities.

A relevant government official on 16 January said that "the United States supported making the Joint Declaration on Denuclearization of the Korean Peninsula an international treaty which will ensure that the nuclear states assign obligation to North and South Korea for denuclearization of the Korean peninsula and in return for this, they will supply on a stable basis nuclear materials required for the development of atomic energy."

This official said: The Joint Declaration on Denuclearization of the Korean Peninsula, which was signed on 31 December 1991 and effectuated in February 1992, stipulates that North and South Korea shall not possess nuclear reprocessing facilities. However, since North Korea did not comply with it, and in the event that its content is revised according to an agreement reached by the North and the South, there is a possibility for both sides to possess nuclear reprocessing facilities. It is likely that the United States is concerned with this situation.

It was learned that the government has not decided on the policy up to date to cope with such a proposal by the United States.

The U.S. proposal directly contradicts the allegation of some national assemblymen and scientists who call for recovery of nuclear sovereignty by possessing nuclear reprocessing facilities with peaceful purposes. As a result, heated controversy will likely be touched off in the future.

The incumbent Nuclear Nonproliferation Treaty [NPT] prescribes that one is allowed to possess a nuclear reprocessing facility but should declare the quantity and purpose of plutonium extracted from it, and this quantity and purpose are subject to inspection and supervision.

Therefore, an expert pointed out that the demand that North and South Korea turn their declaration into an international treaty which does not allow them to possess a nuclear reprocessing facility itself, contradicts the principle of international laws. He assumed that this proposal was prompted by the fact that suspicion of North Korea's development of nuclear weapons has become an international issue.

At present, there is no international treaty, other than the NPT, which restricts a certain state or district from nuclear development.

Another government official stated that "in the event that the declaration on denuclearization of the Korean peninsula is turned into an international treaty, it will be greatly helpful to complete the resolution of the North Korean nuclear issue and to win trust from international society concerning the nuclear policies of North and South Korea."

He added: However, even if we want to possess nuclear facilities after the North Korean nuclear issue is completely resolved and the trust of the international community in nuclear policies of the North and South is built with the declaration turned to into an international treaty, we should have consent from nuclear states. Therefore, this proposal would be, in actuality, impossible.

Pact Internationalization Opposed

SK1801012394 Seoul TONG-A ILBO in Korean
18 Jan 94 p 1

[Text] The government has decided to oppose a measure promoted by the United States of turning a joint declaration of the denuclearization of the Korean peninsula into an international treaty in an effort to block North Korea's nuclear development.

On 17 January an official concerned of the Ministry of Foreign Affairs said that "a joint declaration of the denuclearization of the Korean peninsula is not an act between countries [kukka kanui haengwi] and it is, therefore, impossible to turn it into an international treaty," adding "the issue of nuclear reprocessing facilities on the Korean peninsula should be solved between North and South Korea."

The official continued: "The government's policy is that if the radiochemical laboratory North Korea possesses now turns out to be a small-scale nuclear reprocessing facility it will persuade North Korea, through the North-South Joint Nuclear Control Committee, to close the facility and abide by the joint declaration of denuclearization."

Official Denies Pressure Rumor

SK1801054394 Seoul THE KOREA HERALD in English
18 Jan 94 p 2

[Text] The United States once studied a possibility of making the inter-Korean agreement on denuclearization

of the Korean Peninsula a more binding international treaty as a way to force North Korea to give up its nuclear program, but dropped it soon after, a Foreign Ministry official said yesterday.

He said the plan was discussed among some U.S. officials soon after North Korea declared to leave the Nuclear Nonproliferation Treaty (NPT) on March 12, 1993.

But Seoul and Washington have never discussed the plan together, formally or informally, the official said. Neither has the United States suggested to Seoul such a plan, he said.

He said the U.S. Government did not adopt the policy because there were doubts about its effectiveness in making North Korea withdraw its decision to leave the NPT.

Seoul's position on this matter is that the joint declaration on denuclearization of the Korean Peninsula which was signed between the two Koreas on Dec. 31, 1991, was primarily a promise between the two, the official said.

It believes that more important at this stage is to reopen the suspended Joint Nuclear Control Commission (JNCC) to discuss implementation of the declaration, he said.

Moreover, an additional procedure to make the declaration an international treaty may not be necessary because the United Nations has already mentioned the declaration in its resolutions concerning the North Korean matter, he said.

The official, however, agreed on a possibility that the United States and South Korea may differ on this matter because of their different viewpoints on the North Korean nuclear matter.

While Washington's primary concern is to have Pyongyang give up its nuclear weapons development program using all available means, Seoul needs to be more cautious as it is a matter concerning the fate of the nation, he said.

The inter-Korean declaration on denuclearization of the Korean Peninsula which took effect on Feb. 19, 1992, requires the two Koreas not to possess nuclear reprocessing or uranium enrichment facilities.

This prohibition of nuclear reprocessing and enrichment facilities has caused a serious debate inside South Korea since then and many conservatives in the country are still calling for a review of the declaration.

They, most of all, insist that the South, which produces some 50 percent of its electricity using nuclear power plants, needs nuclear reprocessing plants for economic and technological reasons rather than for strategic reasons.

Quoting a high-ranking government source, a local daily reported yesterday that the United States is demanding the South agree to making the inter-Korean declaration an international treaty, where the two Koreas are guaranteed stable supply of nuclear fuel in return for giving up nuclear reprocessing facilities.

Nuclear Treaty Rumor 'Exaggerated'

*SK1801030094 Seoul CHOSON ILBO in Korean
18 Jan 94 p 4*

[From the "News Behind the News" column]

[Text] Foreign Minister Han Sung-chu came to the [Foreign Ministry] press room on 17 January and strongly denied reports that the United States was pressing the government to change the declaration on the denuclearization of the Korean peninsula into an international treaty by saying that "the contents are exaggerated."

Minister Han explained that "after North Korea withdrew from the Nuclear Nonproliferation Treaty in March last year, some U.S. officials suggested that such a measure may be possible. However, no further discussion or exchange of propositions between the ROK and U.S. Governments have taken place."

This incident is known to have developed from Minister Han's slip in a discussion held on 14 January in which he said, "Although the United States feels that the denuclearization declaration should become an international treaty, the prevailing opinion in the ROK is that there should be room left to possess nuclear reprocessing facilities."

Regarding this remark, Minister Han explained with embarrassment, "I answered that way thinking that it would be too beautifying to simply say 'no' when asked whether there was any difference in opinion between the ROK and the United States on the nuclear issue, and I meant that such may be a possibility."

U.S. Ambassador's Associates View Relationships

*942C0049A Seoul SINDONG-A in Korean Dec 93
pp 438-451*

[By reporter Chi Chae-won]

[Excerpts] "... I have had inseparable ties with Korea since my first visit in 1947." [passage omitted]

This is part of the address—delivered in Korean—by James T. Laney, 66, the new U.S. ambassador to Korea, at a "welcome reception" held in his honor at Hyatt Hotel on 5 November. His Korean was impeccable except that he pronounced "Hanguk" [Korea] like "Hank'uk" and "yeoro kaji" [various or many] like "yoro kaji." [passage omitted]

About 20 days later, on 2 July, the White House officially announced the appointment of Laney. After the Senate

confirmation process, the new ambassador presented his credentials to President Kim Yong-sam on 2 November. Thus, he embarked on his ambassadorial activity 4 months after the White House announcement. That day, President Kim asked him "when we met in the past, did you think that someday I would be the president and you would be the ambassador to Korea?" Ambassador Laney responded, "I thought that you would someday be the president but I never thought of myself to be the ambassador." The president laughed.

The 5 November reception, held under the auspices of the Methodist Church Headquarters of Korea, was attended by some 350 guests invited from political, business, Christian and academic communities. [passage omitted] It was unusually quick that a private-level reception in honor of a new U.S. ambassador was held 15 days after his arrival and only 3 days after he presented his credentials, and that it was attended by so many "private" guests as well as public officials. [passage omitted]

Addressing the reception, Pyo Yong-un [Methodist Church Headquarters Superintendent] said that "It was exciting when we heard the news about Dr Laney—whom we love and respect—coming as the ambassador." Expressing his hopes, Pyo stated that "Dr Laney loves Korea and his relationship with us has a long history. His arrival as U.S. ambassador to Korea means a tremendous contribution to furthering friendship between the two nations and to their attaining the common goal."

Among the guests that day were, from the Administration, Kim Chol-su, minister of trade, industry and resources; Yi Min-sop, minister of culture and sports; Hwang San-song, minister of environment; Song Yong-tae, vice minister of the Unification Board, and Yi Hong-ku, vice chairman of the Advisory Council for Democratic Peaceful Unification, and from the political circles, Assemblymen Yi Se-ki, Yi Chae-hwan, Son Hak-kyu and Pak Hui-pu of the Democratic Liberal Party [DLP], Yi U-chong, Cho Sun-sung, Pak Sil of the Democratic Party [DP], and Kim Chong-kil, chairman of the United People's Party [UPP], Yun Yong-tak and Yim Chun-won, independents. The guests also included Yi Chol-sung and Min Kwan-sik, senior politicians; Yi Tae-yong, director of the Family Legal Information Center; Cho Kyong-hui, chief director of the Palace of Arts; Cho Sang-ho, former minister of sports; Kim Yong-nae, former Seoul mayor; Yi Yong-tok, chairman of the government's Public Officials Ethics Committee, and Yi Se-chung, chairman of the Korea Bar Association. The Rev. Mun Ik-wan and the Rev. Pak Hyong-kyu, both *chaeya* [reformist camp] veterans, were also present, drawing attention. Mun Ik-hwan has known Laney since the 1960's when the latter was a missionary in Korea. "I am very happy to have as the U.S. ambassador a person who knows about Korea better than any other Americans," Mun said. [passage omitted]

Deputy Prime Minister Han Wan-sang, who some newspapers reported was the prime mover for the gathering,

was not present. Explaining, he said that "for reasons involving the strained North-South relations, I could not attend the reception. I expressed my regret to the office of superintendent of the Methodist Church Headquarters. I am sure that for our deep friendship, Ambassador Laney would understand it."

Han drew most attention from media when the Laney appointment was announced. The relationship of the two dates back to the early 1970's when Han was a *chaeya* activist and the general manager of the Christian Professors Conference, a group of critical intellectuals. He read a declaration on the state of the country at a gathering held on 1 March 1975 to welcome Kim Tongkil and Kim Chan-kuk of the group who were just released from prison. As he actively participated in pro-democracy movements, the relationship deepened, Han says.

"It was my days of sufferings. I was arrested and detained several times. With humane concerns for me in that situation, Mr Laney did many things to help me. When I was taken into custody again in 1980, he, then president of Emory U., led an effort for arranging my U.S. visit. On my release in November that year, I was invited to Emory U. as an exchange professor. I stayed on until I returned to my position in Seoul National University [SNU] in September 1984. During the years, Mr Laney looked after my family, too, with the greatest possible care."

Deputy Prime Minister Han describes Ambassador Laney as a "man of the oriental sense of love and humanity." In addition, as his tremendous accomplishments for Emory U. show, Han says, he is known for his outstanding administrative ability. As ambassador, he will "play a great role in furthering Korea-U.S. relations," he adds, "because he loves our country and has his unique experience in contributing to its democracy."

Han saw Laney in July during his U.S. visit to attend an information exchange meeting. At the time, Laney, then the ambassador designate, reportedly said to Han that "From now on, I will be working for the national interests of the United States and you are in the position to work for the national interests of Korea. But let's cooperate, relying on God's will." Han, who is also a faithful Presbyterian, denied the reported references to "national interests." They only shared conversations on "cooperating for the peace, well-being and unification of the Korean Peninsula," he said.

Pak Pong-pae, 62, president of Mogwon U., is known to have done the actual work of arranging the Laney reception. A graduate of MTC, Pak studied at Boston U., and later at Vanderbilt U., taking his master's and doctor's degrees there.

Pak says: "I first met the Rev. Laney in 1959, when I was living in a missionary's home to learn about American life to prepare for my study in the United States. One day the missionary told me that 'a new missionary has come from the United States. Let's go and see him.' That was

Rev. Laney. I saw him in the missionary's quarters called "Guest House" in West Gate. We felt close friendship with each other the minute we met. We have since been like real brothers."

On his return to Korea, Pak found a position as an MTC professor. After serving as its rector, he became the president of Mogwon U. He continued to invite Laney to Korea all these years. [passage omitted]

On the relationship between President Kim Yong-sam and Ambassador Laney, Pak Pong-pae says:

"President Kim visited Emory U., in 1984 or 85 in my memory. I was then working there as an exchange professor. It was the first time they met each other. Mr Laney invited President Kim, then leader of an opposition party, to a dinner at his residence. Also, under arrangements made by him, President Kim made a speech to students under the title "Democratization of Korea." When Mr Laney visited Korea in early 1990, he was scheduled to see Kim Yong-sam, then chairman of the DLP but the meeting did not materialize because the later was in Masan in the aftermath of a political upheaval touched off by a memorandum concerning the controversial cabinet system plan. I understand that Ambassador Laney is deeply impressed by President Kim's leadership and reform program."

Pak also said that he understands that Laney's relationship with former DP President Kim Tae-chung has become increasingly closer since the Kim Tae-chung kidnapping incident. Laney was particularly concerned over the incident. Emory conferred an honorary doctorate in law on Kim in June 1983. It also gave his son, Hong-kol, an opportunity to study at the university. Deputy Prime Minister Han Wan-sang's two daughters and former Rep. Mun Tong-hwan's son also studied at Emory through the good offices of Ambassador Laney. [passage omitted]

In terms of school ties alone, Yi Hong-ku [First Vice Chairman of the Advisory Council for Democratic Peaceful Unification] is closest to Laney. He was once Emory professor and even received an honorary doctorate in literature. Moreover, Yi served as chairman of the Yale alumni association in Korea for 10 years. Yale is Laney's alma mater. [passage omitted]

According to him, Laney is "a liberal who has long been showing a great deal of concern about democratization and human rights." His arrival as U.S. ambassador, he says, should be viewed as meaning the opening of a new era in Korea-U.S. relations.

He continued: "Democratization, human rights, the Cold War—all these things are over now. U.S. ambassadors to Korea in the past were all specialists in security. The fact itself that a scholar, not a career diplomat, was appointed to that post shattered the tradition. As in the case of Mondale, the ambassador to Japan, the Laney appointment suggests that the U.S. Government attaches

greater importance to Korea. Korea- U.S. relations have entered a 'new era,' I believe."

Meanwhile, among Laney's circles of acquaintances in Korea, there is a group almost unknown to the public but very deep-rooted and thriving in every way. It is Club VV—VV stands for *veneratio vitae* in Latin meaning "reverence for life." It is a group of Christian students assembled to uphold the great spirit of Dr Albert Schweitzer, who was a physician, missionary, philosopher, musician and writer. Currently, its graduate members alone number more than 900. In particular, all the 30-odd members from the early days are still meeting regularly, they say. The representative of the graduate chapter is Prof. Chon Se-il of Yonsei U., who is the director of the rehabilitation clinic of the university hospital. [passage omitted]

Laney, seeing the club as a kind of "spiritual movement," has continued to show great interest in it since his arrival this time. Chairman Chon Se-il explains that he is doing so because the club's activities conform to his thought and philosophy.

Club VV has its office in Miju Plaza Building in Kuro-tong, Seoul. They are said to be planning to start a new group led by graduate members before the year-end.

The Laney network also includes the Korean Student Christian Council (KSCC). Among its leading figures are O Chae-sik, former director of the WCC [World Council of Churches] Third Bureau; Kang Mun-kyu, YMCA secretary general; Pak Sang-chung, director of the Korea Institute of Christian Social Affairs. [passage omitted]

O Chae-sik, graduate of the SNU religious department, left Korea together with the Rev. Laney in 1964, the latter's sabbatical year. Then, they both studied in Yale U. graduate school of theology, Laney in the doctor's course and O Chae-sik in the master's. O continues:

"At the time, the Rev. Laney told me that he would not return to Korea at the end of his sabbatical leave. His judgement was that churches in Korea had grown and no longer needed the help of missionaries. He said that he would help Korea working in the United States. And he kept his word."

On his return home 2 years later, O Chae-sik joined YMCA and took part in the effort for the merger of KSCM and the YMCA and YWCA college chapters. The three groups were finally merged and KSCF (Korea Student Christian Federation) was born in 1968. O Chae-sik became the head of its secretariat. Laney was greatly helpful in this process, O recalled.

Subsequently, O Chae-sik served as director of the training center of the Korea National Council of Churches (NCC-K) and director of the international department of the Asian Council of Churches. Then, after serving successively as the director of the WCC Development Bureau and its Third Bureau in Geneva since 1988, he returned to Korea in June.

According to O, it is true that Laney greatly contributed to the founding of KSCF but had no particular relationship with WCC. He says:

"Even after he left Korea 30 years ago, the Rev. Laney has always been with us. And he has shown more concern and affection for the young people rather than the older generation. He always inspired them with courage, helping them with all he had whenever they needed help while expecting nothing in return. In the past, he had close friends among Korean politicians and *chaeya* personages, sometimes giving them a helping hand. I believe that it was a natural thing for him coming from his faith. As an ambassador now, he is assigned a political role. I am hoping wholeheartedly that he will be able to fully display his strength in that capacity, too." [passage omitted]

There is a joke in diplomatic quarters: "An ambassador would not even tee off on a golf course without first getting an instruction from his home government." The message is that all ambassadors are expected to act as instructed by their home governments and work in the interests of their respective countries. As public attention is concentrated on the new U.S. ambassador, Mr "L," a diplomat in active service, warns that there is a need for people to view things in a more cool-headed manner. A Korean worker at the U.S. Embassy also says that "the arrival of a pro-Korean personality as the ambassador does not mean a change in the basic U.S. policy or position." [passage omitted]

The well known Laney network in Korea is apparently dominated by Christians. His acquaintances in political and business circles are mostly Christians. Considering that he had been a minister—he retired from clergy prior to taking his ambassadorial post—and that he had worked as a missionary, it is a natural outcome. But how he will cope with the fact will also be noteworthy.

On the day he presented his credentials, there was an anti-U.S., Molotov cocktail-throwing demonstration in Kwangju, the first since the launching of the Kim Yong-sam government. The unresolved nuclear issue and the remaining anti-U.S. sentiment are the major tasks confronting Ambassador Laney. [passage omitted]

As for the successive U.S. ambassadors to Korea in the past, Koreans have a negative image of them all. The biggest reason is that they behaved as if they were the "governor general" sent to this country. The rulers of the military dictatorial regimes in the past—which the people never recognized as truly legitimate—were compelled to depend heavily on the United States to keep their regimes in power, no matter whether they liked it or not. Consequently, one cannot deny that they were more or less responsible for the role of the U.S. ambassador that "departed from its normal path." Any U.S. ambassador coming to Korea—even if he was not an ex-CIA official—perhaps could not but involve himself in interference with Korea's domestic affairs and covert operations.

A known political figure says that the U.S. foreign policy toward Korea has been "blank." What he means is that Washington was barred from the normal conduct of foreign policy toward a dictatorial regime and, as a result, Korea remained nothing more than a military strategic region more under the sway of the Pentagon rather than that of the State Department—and a void as far as foreign policy was concerned.

The launching of the civilian government has, in effect, paved the way for the office of U.S. ambassador to recover its "normal" role. It means that Ambassador Laney's role will inevitably be different from the one his predecessors played. Therefore, it can be said that ratings on Ambassador Laney are linked directly with the question of how much Korea will improve its status as a U.S. foreign policy partner.

'Disorder' in U.S.'s DPRK Policy Claimed

SK1701082794 Seoul TONG-A ILBO in Korean
17 Jan 94 p 3

[Editorial: "Negotiations on North Korean Nuclear Issue and Counterattack by U.S. Conservatives"]

[Text] Former cabinet members of U.S. Republican administrations leveled acute criticism at the Clinton administration's negotiations with North Korea. Research organizations of the U.S. conservative camp and some major newspapers presented issues concerning the Clinton administration's attitude in negotiations with North Korea. This is indeed a noteworthy phenomenon.

Expressing doubt also on North Korea's attitude, former cabinet members of the U.S. Republican administrations showed, in particular, a sensitive response to the issue of suspending the Team Spirit exercise. They stressed strong defense of the ROK from the threat of a southward invasion by North Korea and maintained that the ROK-U.S. Combined Forces Command exercise is an indispensable course for defense. They are worried even more about North Korea's conventional military power. This being the case, they advise that the ROK-U.S. joint military exercise should be maintained and the ROK's defense capabilities should be strengthened to defend the ROK from any attack—nuclear or conventional.

Should one assess their opinions as merely the "Hawks" theory? The seriousness of the problem, however, is that judging from the current trend of the U.S. press, their logic is not regarded merely as the opposition harping on the Clinton administration's foreign policy. Emphatically pointing out the strengthened conventional military power in the Asian-Pacific region, Japan's suggestion to reconsider its own nonnuclear policy, and China's weapons exports, they went so far as to recommend implementation of a security-first policy in the Asian-Pacific area, instead of a foreign policy of attaching importance to economics, which may only touch off trade disputes.

If we accept their allegation even in part, we would come to realize the seriousness of the security situation in the Asian-Pacific area. Thus, they pointed out that significant political and economic relations should be open to North Korea only when it takes concrete steps to reduce its threat to the Korean peninsula and the surrounding areas. They even proposed a plan to promote trade relations between the United States and China with a view to encouraging China to participate actively in resolving the North Korean nuclear issue and in removing North Korea's military threat.

It is indeed alarming that the U.S. conservative camp, including former cabinet members of U.S. Republican administrations, began to launch a counterattack as the third round of North Korean-U.S. talks are about to take place. This is even more true in view of the differences in views revealed among intelligence organizations within the Clinton administration, including the U.S. Central Intelligence Agency, the Defense Intelligence Agency, and the U.S. State Department. The U.S. intelligence organizations assess that North Korea has already manufactured one or two nuclear bombs, even though of crude condition, or the date of manufacture is imminent. The U.S. Department of State, however, disputes this assertion.

As the situation is in disorder in the United States, which is carrying on nuclear negotiations with North Korea, it is quite natural for our government, which is maintaining a joint cooperation system with the Department of State, to be cautious. What if North Korea, while dragging out nuclear negotiations, nearly completes the manufacture of nuclear weapons and then initiates the work of hiding them in deep underground tunnels? How should we cope with a threat of attack by conventional weapons after suspending the Team Spirit exercise?

The more serious problem is that even after the exchange of special envoys is realized, the envoy [from the North] may possibly propose the Koryo confederal system. In this event, is it desirable that we declare the suspension of the Team Spirit exercise to him as a partner? Indeed, this is a difficult problem. We have no other words than our hope that the North and the South make appropriate judgments regarding the situation.

U.S., Seoul Want DPRK N-S Talks 'Proposal'

*SK1701032194 Seoul TONG-A ILBO in Korean
17 Jan 94 p 2*

[Text] Concerning the method for resumption of North-South dialogue, the government will induce North Korea to make a proposal for dialogue first, rather than the South's side making a proposal. This was learned on 16 January.

The government discussed this with relevant officials from the U.S. side and agreed that the United States would induce North Korea to propose a working-level contact for the exchange of special envoys between the North and the South when the negotiation for nuclear

inspection between North Korea and the International Atomic Energy Agency [IAEA] is completed and when a contact is held between the United States and North Korea for an agreement on the date of the third round of talks.

A relevant government official said that since the North side refused the contact for the exchange of special envoys last year, it is natural that North Korea should propose the resumption of dialogue first, referring to remarks by Deputy Prime Minister and Unification Minister Yi Yong-tok who stressed that "we should not propose dialogue to the North merely for the sake of dialogue and should face the North in a dignified manner."

Foreign Minister on Nuclear Issue, N-S Talks

SK1601043594 Seoul KBS-1 Television Network in Korean 2330 GMT 15 Jan 94

[Interview with ROK Foreign Minister Han Sung-chu by KBS commentator Yi Chong-su and CHOSON ILBO editorial writer Kim Hyong-kon from the program "KBS Diagnosis of Policies"—live]

[Excerpts] [passage omitted] [Kim Hyong-kon] The greatest pending issue in our diplomacy last year was the North Korean nuclear issue. However, with the beginning of the new year, a sign for the solution of the problem has appeared. North Korea reportedly said that it will accept inspection of seven facilities and the third round of U.S.-North Korea talks is expected to take place soon. However, the issue of special inspection has not been raised. How do you assess the present status of the North Korean nuclear issue?

[Han Sung-chu] Ten months have passed since North Korea declared its withdrawal from the Nuclear Nonproliferation Treaty [NPT] on 12 March last year. But the nuclear issue has not been resolved up to now. I feel regret and sadness over this. However, this does not mean that we wasted this ten months. We can prevent this problem from going to an extreme situation. Moreover, there was no sign that North Korea manufactured nuclear materials during this period, or used this period for developing and manufacturing nuclear weapons. As you pointed out, although we cannot fully assure this, a sign for the solution has also appeared.

The agreement and comprehension between the United States and North Korea and discussion on ordinary and ad hoc [imsi] inspections between the International Atomic Energy Agency [IAEA] and North Korea are not the negotiation or agreement for the final solution of the North Korean nuclear issue. They are of significance in further seeking an essential solution through insurance of continuity of nuclear safeguards by IAEA and through the third round of North Korea-U.S. talks. Therefore, the special inspection, which you mentioned earlier; insurance of nuclear safeguards; North Korea's complete nuclear transparency pertaining to the denuclearization of the Korean peninsula; comprehensive checking of

North Korea's nuclear development; and the like, can be regarded as preparatory measures for the next stage, rather than as present-day problems.

[Yi Chong-su] What were presented as preconditions for the third round of U.S.-North Korea high-level talks was insurance of North Korean nuclear transparency and another was tangible progress in North-South dialogue. We understood that only after this, the third round of talks can be held and the issue of improvement in relations and cooperation can be discussed. However, recently, the issue on tangible progress in North-South dialogue has not been briskly mentioned even though considerable progress appeared in North Korea's nuclear inspection issue. Will you tell us about what degree of progress in North-South dialogue will enable the United States and North Korea to discuss the third round of high-level talks and the issue of normalizing relations?

[Han] We may say that there is progress in ensuring continuity of IAEA's nuclear safeguards measure. There is no change in the policy to regard such progress as an indispensable step for future dialogue.

Likewise, there is no change in the policy of calling for tangible progress in North-South dialogue. Therefore, although this issue has not been emphasized openly and discussed loudly, the third round of U.S.-North Korea talks will not be held without tangible progress in North-South dialogue.

[Kim] With a sign for the solution of the North Korean nuclear issue, do you think that tangible progress in North-South relations can be expected in the new year?

Some people view that North Korea would reluctantly come to dialogue with the ROK merely for the sake of negotiations with the United States. What do you, the minister, think of this?

[Yi] In the event that the North Korean nuclear issue is resolved to a certain degree and progress is seen in North-South dialogue, do you think there is a possibility of North-South summit talks?

[Han] It is too early for us to say that a summit is possible or impossible at the moment. However, there is no need to exclude the possibility of a summit after the stumbling block, also known as the nuclear issue, is removed. [passage omitted]

[Yi] I would like to ask a question about how the ROK should maintain relations with the four neighboring big countries of the Korean peninsula. At the end of the Cold War era, can ROK-U.S. relations be a little distant or should they become even closer?

To what degree should relations with Japan be close? Is it alright even if relations with Russia are somewhat distant, and how close a relationship should we maintain with China?

[Han] In maintaining relations with the four big countries surrounding the Korean peninsula including the

United States, it is not desirable to consciously designate precedence and order of the countries to keep close or distant relations.

However, relations with the United States still remain most important in terms of security, economy, and diplomacy. ROK-Japan relations are also very good at present in various aspects. In fact, the relations are better than ever before. Japanese Prime Minister Hosokawa visited the ROK last November and held a summit with the ROK. The two sides agreed to develop relations in a forward-looking manner by overcoming the past to the greatest possible extent. I think this is possible.

As for relations with China, since relations were normalized in August 1992, remarkable progress was effected in the trade field, and cooperation in other fields has also been satisfactory. In particular, China cooperated with the international community for the solution of the nuclear issue and made a great contribution to solving this problem through dialogue. I believe that China will also contribute to this in the future, as well.

As for relations with Russia, since diplomatic relations were established, good relations have been maintained. Although the issue of payment in economic cooperation still remain as a pending issue, ROK-Russia relations have not been affected seriously by this. We hope to maintain good relations with Russia. We also hope that Russia will satisfactorily achieve political and economic stability at home. Thus, we will maintain good relations with the four countries, and amid balanced cooperation among these big countries, we will secure our own position.

[Yi] Will you explain how you are going to implement the policy for reunification?

[Han] The policy for reunification is closely related to pursuing our 5-point basic goals. We may divide it into three stages. One is how peacefully and productively we should manage the present status of division. For example, the solution of the nuclear issue stresses the necessity of diplomacy to manage the division.

Next, the diplomacy for achieving national reunification and for winning the support for this is necessary. In other words, we should carry out diplomacy to convince the neighboring countries that our reunification is not contradictory but corresponds to their interests and to ask for their cooperation. This is applicable not only to the aforementioned four countries but also to many other countries. We should also seek cooperation from international organizations, including the United Nations.

Last, we should prepare ourselves for the postreunification era. We should review how to maintain relations with world nations and international organizations after the reunification. This is the issue related not only to the Foreign Ministry but also to the National Unification Board, other government offices, and the people.

[Yi] Thank you, Minister Han, for being with us today.

DPRK Said To Adopt PRC-Style Economic Style

*SK1601021294 Seoul CHOSON ILBO in Korean
16 Jan 94 p 1*

[By Beijing-based correspondent Pak Song-chun]

[Text] According to a reliable Beijing source, North Korea has decided to declare to its people and to the world that it would conclude the nuclear issue before March or April and announce a PRC-style opening policy. Hwang Chang-yop, chairman of the Foreign Affairs Committee of the North Korean Supreme People's Assembly, unofficially arrived in Beijing on 15 January for an eight-day visit to discuss this, the source said.

Hwang, who was appointed chairman of the Foreign Affairs Committee of the Supreme People's Assembly—a position which actually controls the North Korean nuclear issue and foreign affairs—in December 1993 among high-ranking North Korean officials, will also discuss President Kim Il-song's visit to the PRC with the PRC side, according to the source.

It is known that through Kim Il-song's visit to the PRC, which is expected to immediately follow Hwang's PRC visit, Kim Il-song will make a final discussion with high-ranking PRC officials on North Korea's PRC-style opening policy which has already been decided by himself.

The PRC-style opening policy decided by North Korea will be the special economic zone-style adopted by the PRC. North Korea has decided to make Najin and Sonbong region the first special economic zone and already concluded legislative procedures for the opening of the region in relation to the development of the lower Tumen river.

In relation to the opening-up policy decided by North Korea, Hwang, who began his unofficial visit to the PRC from 15 January, is scheduled to visit Guangzhou and Shenzhen which are special economic zones in southern PRC.

The Beijing source also said that the ROK Government is known to be aware of the trend of North Korea's policy and is considering to open a liaison office in Najin or Sonbong through the UN Development Program after North Korea announces its opening up.

The source said that in a meeting attended by Kim Il-song, North Korean authorities already made such a decision to declare a PRC-style opening up policy as a result of an internal discussion on the choice of policy direction after the resolution of the nuclear issue, and that North Korean high-ranking authorities already began drawing up plans to implement the opening-up policy for the era after the resolution of the nuclear issue.

IAEA-DPRK Working Contact Postponed

*SK1501063394 Seoul KBS-1 Radio Network in Korean
0517 GMT 15 Jan 94*

[Text] The third working-level contact between the International Atomic Energy Agency [IAEA] and North Korea, which was expected to take place over this weekend, is postponed until next week because there was no reply from Pyongyang authorities.

Correspondent Cha Man-sun reports from Vienna. [Begin Cha recording]

(Feriscos,) director of the inspection bureau of the IAEA, revealed that in a telephone contact, (Yun U-chin), counselor at the North Korean Embassy in Vienna and the working-level delegate of the North Korean side, said that he has not received a reply from Pyongyang to the IAEA's telegram, and therefore, holding the third working-level contact is difficult this weekend.

Concerning this, the IAEA inspection-related officials show that their position is to wait for the North Korean reply by taking a little more time. But they hope that the third working contact can be held next week.

Meanwhile, it was learned that the list for checking seven nuclear facilities which IAEA presented to North Korea on 10 January was prepared based on the Nuclear Safeguards Accord which became effective on 10 April between the IAEA and North Korea, and the list calls for compliance with the accord.

Article 74 of this accord stipulates that independent measurement of nuclear materials, including examination of diaries of operation of nuclear facilities, and mobilization of all technological inspection measures, are possible, and Article 75 prescribed that North Korea must cooperate in extracting additional (?testing) materials.

North Korea accepted overall inspections in 1992 in compliance with the Nuclear Safeguards Accord. However, North Korea, which is withholding its withdrawal from the Nuclear Nonproliferation Treaty, shows its position of regarding this accord as invalid. Therefore, the reply from North Korea will attract public attention in the future. [end recording]

Opposition Party on Possible Pyongyang Visit

*SK1501112094 Seoul YONHAP in English 1105 GMT
15 Jan 94*

[Text] Seoul, Jan. 15 (YONHAP)—The opposition Democratic Party intends to discuss with the government on possible visit to North Korea by party head Yi Ki-taek, buoyed by the reported welcome expressed by North Korea to his visit.

"Now that North Korea has welcomed Mr. Yi's visit to Pyongyang, we will discuss the matter with the government," party spokesman Pak Chi-won said on Saturday afternoon.

Pak said his party will also consult with many people on Yi's possible visit to North Korea since he said inter-Korean matters require very prudence. [sentence as received]

The spokesman further said his party wishes to take the occasion to call on both sides of Korea to stop trying to use the inter-Korean question for their political gains and to strive to promote genuine reconciliation and unification.

The North KOREAN CENTRAL NEWS AGENCY, monitored here, reported earlier in the day that Yang Hyong-sop, chairman of the Supreme People's Assembly, said in a statement the North would welcome it if Yi Ki-tack visits Pyongyang.

Leadership of DPRK 'Operation Teams' Viewed

*SK1801121494 Seoul CHUNGANG ILBO in Korean
18 Jan 94 p 5*

[By Yu Yong-ku]

[Text] In December 1993, North Korea newly formed the South, U.S., and Japanese operation teams in the Workers' Party of Korea [WPK] and appointed important figures to be chiefs of the teams. This has been analyzed as a move to accelerate opening up and actively improve relations with these countries after the nuclear issue is resolved.

According to a Beijing source, North Korea appointed Vice Premier Kim Tal-hyon as chief of the South operation team, party secretary Kim Yong-sun as chief of the U.S. operation team, and Hwang Chang-yop, chairman of the Foreign Affairs Committee of the Supreme People's Assembly, to be chief of the Japanese operation team.

Before the three new operation teams were formed, the central guidance office of the three revolutions teams, which is totally controlled by Kim Chong-il, was the only team that existed in North Korea to carry out special missions. Thus, the organization of the three new teams shows North Korea's great interest in its relations with the ROK, the United States, and Japan and is regarded as a step to prepare for improving its relations with these countries after the nuclear issue is resolved.

The organization of the new teams and appointments of their chiefs were originally reported by sources in Beijing early this year. A government official also recently said: "Special operation teams in charge of relations with the South and the United States have been formed in the WPK. According to information obtained up to the present, Vice President Kim Yong-chu and Kim Tal-hyon, who was recently discharged from the posts of vice premier and chairman of the State Planning Committee, take charge of the South operation team, and WPK Secretaries Hwang Chang-yop and Kim Yong-sun take charge of the U.S. operation team." The information on Kim Yong-chu's appointment as leader of the South

operation team, however, seems groundless because he is too old to cope with the changing situation and because a vice president of a state would not be appointed to lead a team with special duties.

The information on Kim Tal-hyon's appointment as leader of the South operation team is well-grounded.

There was a rumor that Kim Tal-hyon was demoted to manager of the 8 February Vinalon Plant after being dismissed from the office of vice premier of the State Administration Council at the end of 1993. The fact is, however, that Kim is an authority on economic affairs who is close to Kim Chong-il and that the document on his dismissal dated 7 December 1993 reads, "...in relation to his appointment to another position."

If he had lost power, it would have been reported that he had been "dismissed," rather than "transferred to another post."

After being in charge of external economic affairs, he was temporarily appointed chairman of the State Planning Committee to deal with the Third Seven-Year Plan, which North Korea had been expected to fail to fulfill, established a period of adjustment, and carried out the task of coordinating economic affairs. As shown, he is still trusted by Kim Il-song and Kim Chong-il.

Considering the fact that he was once in charge of North-South economic cooperation, he may have been transferred to a post in charge of North-South economic cooperation, which will be pursued when the nuclear issue is resolved, or overall North-South relations.

Kim Yong-sun was reportedly relieved of his post of candidate member of the WPK Political Bureau last December, but maintains his post of party secretary. It had been speculated that he is no longer in charge of South Korean affairs and external affairs. However, on 23 November 1993, he attended a Pyongyang report meeting on the third anniversary of the founding of the National Alliance for the Country's Reunification as an official in charge of South Korean affairs, and last December's North Korean Supreme People's Assembly [SPA] session confirmed that he is still chairman of the SPA Reunification Policy Committee.

Considering North Korea's plan to promote its relations with South Korea and Japan only after an atmosphere prevails for improved ties with the United States, Kim Yong-sun may be exclusively in charge of U.S. affairs.

Hwang Chang-yop, an official well versed with Japanese affairs, who was appointed chairman of the SPA Foreign Affairs Committee, is very likely in charge of the Japan team. Japan has proposed resuming talks with North Korea to discuss normalization of ties between the two countries. At such a time, he is now visiting Beijing. This is very significant. Still, it is very likely that the U.S., South Korea, and Japan teams do not handle completely different jobs, that the jobs of Kim Yong-sun, Kim

Tal-hyon, and Hwang Chang-yop overlap, and that Kim Chong-il personally plays a supervisory role.

DPRK's Trade, Economic Situation Discussed

*SK1401144494 Seoul SISA JOURNAL in Korean
20 Jan 94 pp 50-51*

[Article by Nam Yu-chol: "Even If Nuclear Issues Were Resolved, North-South Economic Cooperation Is Far Away"]

[Text] Expectations and concern over the North-South economic cooperation are mounting again now that a hint of a solution of North Korea's nuclear issue can be seen. This is because it is expected that in the case that North Korea's nuclear issues were completely resolved, the actual improvement of North-South relations would bring a brisk North-South economic cooperation. The government has even revealed on several occasions that if the nuclear issues were resolved, it would press ahead with economic cooperation with North Korea. A government official said that "entrepreneurs have already telephoned the government authorities to ask about the procedures for visiting North Korea."

The general expectation that the solution of the nuclear issues will lay a foundation for North-South dialogue and, then, this would bring a brisk North-South economic cooperation is confirmed in the stock markets. As foreign news reports that progress is being made in the U.S.-North Korean negotiations over the nuclear issues are coming out everyday, stock markets have been vibrant with the dealings of stocks related with business with northern countries from the beginning of the new year.

However, the view of business circles and experts is overwhelmingly cautious over the era "after the nuclear issues are resolved." They believe that even if nuclear issues were resolved, to think that North-South economic cooperation would be brisk is yet premature. Many experts believe that a full-fledged North-South economic cooperation, which requires the considerable improvement in political relations, will take a lot of time.

By analyzing data, the Korean Trade Promotion Corporation [Kotra] has recently estimated that even if North Korea were to open up, it is very likely that its opening policy may incline toward the U.S. or Japanese sides rather than the ROK side. The KOTRA held that because economic cooperation with the ROK has been stagnant for the past two years, North Korea has worked out a policy of turning the direction of economic cooperation to the United States and Japan. There is a view that the abrupt dismissal of Kim Tai-hyon, former vice premier and chairman of the State Planning Committee, last December was a strategy to exclude the ROK enterprises from bringing foreign investments in the future. Kim Tai-hyon, who held actual power out of those favoring opening, was a channel for most ROK enterprises to promote North-South economic cooperation. A

conglomerate's official, who is in charge of business with North Korea, said that "there will be great difficulties in trade with North Korea as a result of Kim's dismissal."

Experts point out that, in addition to the fact that North Korea's investment legislation, systems, and other investment conditions are not tangible and are incomplete, there are still many stumbling blocks to full-fledgedly investing in North Korea in light of pure economics. An official from business circles said: "Many believe that to think that if North Korea's nuclear issues were resolved, North-South economic cooperation would proceed smoothly, is a very simplistic idea. North Korea does not want the ROK enterprises to independently enter the Najin and Sonbong free trade districts." This bespeaks that the solution of the nuclear issue means North Korea's return to the time when it had not withdrawn from the Nuclear Nonproliferation Treaty.

Holding Investment-Explanation Meetings in the United States, Europe, and Hong Kong

However, there is a view that because the issue of establishing diplomatic relations with the United States and Japan is being discussed in connection with the solution of nuclear issues, the solution of North Korea's nuclear issues will bring about a change at a new level. In particular, because North Korea admitted its failure in its economic fields and is making positive efforts to attract foreign investment, the expectation that there is a new turn in North-South economic cooperation in the near future is mounting. That is, even though this may take time, if the ROK assumes a farsighted attitude, North Korea will be eventually forced to come out and improve relations through economic cooperation. Kim To-hyang, researcher of the Lucky-Goldstar Economic Research Institute, said that "North Korea may try to exclude the ROK enterprises and to trade with foreign enterprises for the time being to maintain its system. However, it is difficult for North Korea to exclude the ROK enterprises on a mid- and long-term basis." It is believed that it is actually difficult for North Korea to trade with foreign enterprises alone because North Korea has no special attractions for foreign enterprises to invest there.

It is difficult to predict the position North Korea will assume in the economic exchange with the ROK. North Korea enacted for the first time in 1984 the joint venture legislation, which stipulates the regulations on joint venture with foreign enterprises. Since then, North Korea has steadily attempted to attract foreign capital. North Korea has made more contacts with foreign enterprises than the ROK experts thought. North Korea held investment-explanation meetings in the United States and Europe early last year. Kim Chong-u, vice chairman of the External Economic Committee, personally held an investment-explanation meeting in Hong Kong last September. According to informed sources, it is said that he will visit China and East Asia to promote foreign investments.

(Tony Misel), representative of a British consulting company, who personally held an investment-explanation meeting in Hong Kong last September, revealed that approximately 30 enterprises, which were then banned from investing in North Korea, attended the meeting. He said his clients are interested in investing in North Korea and added that the enterprises are global multinational ones, ranking among the world's top 500 enterprises selected every year by the U.S. economic magazine FORTUNE.

Of course, even though they are interested in investing in North Korea they will not all invest in North Korea at once. An official in Hong Kong, who attended the Hong Kong investment-explanation meeting, said that "Out of the enterprises attending the investment-explanation meeting, practically no enterprises will actually invest in North Korea." For example, Nestle, a Swiss multinational foodstuffs company, has reviewed for a few years the possibility of investing in North Korea, but it has not invested anything there. The official in Hong Kong said that the greatest concern of most foreign enterprises on investing in North Korea is the concern the management of the multinational enterprises have in looking at the next 20-30 years.

An official of Germany's East Asian Association (OAV), established to promote exchanges between German enterprises and 24 Asian-Pacific countries, including North Korea, revealed that: "Some German conglomerates and small- and medium-sized enterprises have concluded contracts with North Korea recently. However, the amount of money is not large. The contracts were to provide machine parts mainly exported by the former East Germany." The official, who refused to be identified, said during a telephone interview that "The main reason trade between Germany and North Korea does not increase is that North Korea lacks hard currency." North Korea is currently indebted with a considerable number of German enterprises. Frequently, many enterprises from European countries, including Sweden which has promoted relatively brisk economic exchanges with North Korea, keep dealing with North Korea because of the loans that North Korea has not paid back.

There have been approximately 160 investments, at the most, that North Korea has attracted between 1984 and 1992

Samsung Economic Research Institute estimated that since North Korea enacted the joint venture law in September 1984, North Korea has attracted approximately 160 foreign investments, at the most, by the end of May 1992. It is said that most of the 160 foreign investments were the result of investments made by pro-General Association of the Korean Residents in Japan enterprises and by U.S.-resident Korean compatriots. The research institute views that, comparing North Korea's investment conditions with those of China and Vietnam, North Korea's competitiveness is not strong. Kal Yong-sung, senior researcher of the Samsung Economic Research Institute, analyzed that

"North Korea's efforts to attract investment may draw attention in view of its taxation system but other conditions are worse." He affirmed that "it is almost impossible for North Korea to succeed in attracting investments through its current methods." He held that even though foreign investments of all kinds seem to be possible in view of the legislation, North Korea's strategy for attracting investments greatly favors a joint venture-type processing-for-wages-trade work [hapchak hyong-taeui imgagong saop], which prevents foreign investors from having actual management and ownership rights. Japanese experts point out that the worsening of North Korea's energy shortages is another barrier. North Korea's efforts to attract Western refinery companies in Najin and Sonbong free trade districts will be impossible without a steady supply of electricity.

The tangible economic line of Hong Sok-hyong, newly-appointed chairman of North Korea's State Planning Committee equivalent to the minister of the ROK Economic and Planning Board, has yet to be revealed. Experts believe that North Korea's line to positively promote foreign investment in Najin and Sonbong free trade districts will not be changed. North Korea has positively promoted the construction of Najin and Sonbong free trade districts as a part of the Tumen development work led by the UN Development Program (UNDP), because North Korea views that this is the best way to realize its two targets, maintaining its system and earning foreign currency. In particular, since it is the United States that has actually promoted the UNDP behind the scenes, it is much clearer that North Korea has more significantly promoted this work in a bid to realize its greatest target of improving relations with the United States.

North Korea has conducted economic projects six times since the fifties. However, there has not been a time when North Korea officially admitted its failure of attaining its target. Nevertheless, on last 8 December, North Korea admitted, for the first time since the Republic was founded, it had failed to attain the target of the Third Seven-Year Plan (87-93). North Korea itself made a report that the production increase rate on a yearly average remained at 5.6 percent, much lower than its target of 7.9 percent. However, the ROK experts view that North Korea has actually not attained 40 percent of its target. North Korea's economy is officially in a difficult situation.

DPRK Purchase of Spectrum Analyzers Reported

*SK1501063994 Seoul CHUNGANG ILBO in Korean
15 Jan 94 p 4*

[Text] The government gave an emergency order on 14 January to the ROK Embassy in Japan to grasp the truth of the irregular export of spectrum analyzers, which are core parts for missile development, from Japan to North Korea.

The Foreign Ministry said that it should be clarified whether or not the spectrum analyzers claimed to have

been exported by Japanese companies are items regulated by the Coordinating Committee for Multilateral Export Controls [Cocom], and that it could be possible that North Korea imported them as simple electronic products and used them as missile parts and ordered the embassy in Japan to investigate the truth.

Equipment Said Shipped Via PRC

SK1501131594 Seoul KBS-1 Television Network in Korean 1222 GMT 15 Jan 94

[Text] Japanese police investigating a case of the illegal export of spectrum analyzers that could have helped North Korea develop a missile suspected today that there is a great possibility that the equipment had been delivered to North Korea via Beijing and is intensifying its investigation.

According to the Japanese police, Yokohama Machinery Trading Co. of Japan shipped the spectrum analyzers, purchased in 1989, to North Korea via its Beijing branch office without obtaining government approval.

Russia Reportedly To Sell Submarines to DPRK

SK1601121294 Seoul KBS-1 Radio Network in Korean 1100 GMT 16 Jan 94

[YONHAP report from Tokyo]

[Text] Quoting a high-ranking official of the Russian Pacific Fleet Command, Japan's TOKYO SHIMBUN reported that in addition to exporting four submarines to North Korea, Russia concluded a contract to sell 10 submarines to North Korea.

According to this official, the contract to export the submarines was concluded at the North Korean Consulate in Nakhodka. He also revealed that Russia's export company is the (Dariol) Company, which sells submarines by salvaging the ones that have sunk in the Far East area or that are being kept by submerging them at sea.

The (Dariol) Company received permission to export the submarines in accordance with the plan to reduce the Pacific Fleet's weapons. However, permission must be officially received by the central government to export the submarines as they are, without changing the structure of the vessels. The TOKYO SHIMBUN reported that, therefore, an alternate method will be used. A Russian vessel will tow the submarines to the North Korean side.

Details of Sale, Method Reported

SK1701023894 Seoul YONHAP in English 0213 GMT 17 Jan 94

[Text] Tokyo, Jan. 17 (YONHAP)—Russia signed a contract to sell North Korea 10 Golf II class submarines

not long after it exported four Fox-Trot class submarines to the communist country, a senior official of the Russian Pacific Fleet Command is quoted as saying in a report by the TOKYO SHIMBUN.

North Korea made the deal at its consulate in Nakhodka with a company that sells submarines it has salvaged from the sea, according to the dispatch from Russian fleet headquarters in Vladivostok.

Although the company has a permit to export submarines under the Pacific Fleet's arms reduction plan, it needs formal approval from the central government to sell intact submarines.

In an abnormal procedure, the submarines are likely to be towed by Russian warships to North Korea to escape inspection by customs officers, the vernacular Japanese paper said.

Once the submarines leave Russian waters, they will be handed over to North Korean ships for the rest of their journey to Chongjin, the daily said.

The Golf II submarines are similar to the Fox-Trot types in size, but excel them in speed and cruising range and can carry three SS-N-5 ballistic missiles.

They were sold for 130 U.S. dollars a ton, with the total 2,126 tons selling at 276,000 dollars. They were initially for sale to a Japanese company, but went to North Korea after the first contract was called off, the TOKYO SHIMBUN said.

The Russian Navy officially confirmed earlier the sale of four Fox-Trot submarines to North Korea, which have reportedly been delivered through a Japanese trader. It added that the sales were under condition that North Korea use the vessels for scrap.

Government Questions Russia

SK1801032594 Seoul KBS-1 Radio Network in Korean 2330 GMT 18 Jan 94

[Text] The government has asked Russia whether the recent foreign news report stating that it has decided to sell additional submarines to North Korea is true.

Paek Nak-wan, director-general for the European Affairs Bureau of the Foreign Ministry, called a Russian minister to the ROK to the Foreign Ministry today and asked him to reveal whether the foreign news report stating that Russia had sold the four Fox-Trot submarines to North Korea and that it has recently concluded a contract to sell 10 additional Golf-class submarines to North Korea is true. dd

Burma**Meeting To Write New Constitution Resumes***BK1801080194 Rangoon Radio Burma in Burmese
0630 GMT 18 Jan 94*

[Excerpt] The National Convention Plenary Session was held at 1000 today in the Central Meeting Hall at the President's House compound on Ahlone Road, Yangon [Rangoon]. It was attended by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission [NCCC]; Lt. Gen. Maung Thint and Brigadier General Myo Thant, NCCC vice chairmen, and NCCC members; U Aung Toe, chairman of the National Convention Convening Work Committee [NCCWC], U Tha Tun NCCWC vice chairman, and NCCWC members; Brig. Gen. Tin Aye, chairman of the National Convention Convening Management Committee [NCCMC], and NCCMC members; national convention delegates including two new delegates from Southern Shan State Special Region No. 6 and one new delegate from Northern Shan State Special Region No. 3, who were invited to participate in the special invitees delegate group; and local and foreign journalists.

NCCC Chairman Lt. Gen. Myo Nyunt acted as chairman and NCCC Secretary Brig. Gen. Aung Thein acted as secretary of the meeting.

First, the secretary of the meeting announced the validity of the meeting as 668 of the 696 national convention delegates attended the plenary session.

Next, NCCC Chairman Lt. Gen. Myo Nyunt delivered an address. Continuing, NCCWC Chairman U Aung Toe presented explanations. [passage omitted]

Karens Tell Students Not To Obstruct Talks*BK1801050194 London BBC in Burmese to Burma
1345 GMT 17 Jan 94*

[Dispatch from correspondent Larry Jagan]

[Text] According to news from the Thai-Burma border, the Karen National Union [KNU] has detained Moe Thee Zun and 11 members of his group which had split from the Burmese students movement. According to the report, the students were invited to a meeting by Karen leaders at a place 45 minutes by boat on the river from their camp. When they arrived in Manerplaw, Karen soldiers took the students to a guerrilla training camp near their headquarters.

KNU leader, General Mya, in the presence of top-level KNU officials, told the students group that the KNU would hold cease-fire talks as planned with the Burmese Government. Furthermore, Gen. Mya informed the student group not to obstruct or protest against the talks in any way and told them to watch from the sidelines. The students on their part had consistently opposed peace talks with the Burmese Government.

According to an opposition source at the border, the 12 students are still being detained. The KNU spokesman in Bangkok has denied the report on the above incident. He said the incident was merely a repercussion of the split within the ABSDF [All Burma Students Democratic Front] since 1991. There has been tension between the DAB [Democratic Alliance of Burma] and the students group in recent months. The DAB, which was formed with 15 opposition organizations, includes the government-in-exile headed by Dr. Sein Win.

According to reports received in the past week, the students group had been openly voicing their criticism following the agreement by four major armed ethnic organizations and the Burmese Government to hold peace talks. The group was reported to have severely criticized the Karen organization for its talks at the DAB emergency meeting held in Manerplaw this week. At the same time, some members of the armed students organization, the All Burma Students Democratic Front [ABSDF], were reported to have left Karen territory with their weapons without informing the Karens. KNU officers have told the students to return the weapons they have armed them with.

According to an additional report, the Karenni Progressive Party is reported to have disarmed the ABSDF faction which had been staying with the Karenni organization.

DAB Issues Declaration on SLORC Offer for Talks*BK1701095394 Oslo Democratic Voice of Burma in
Burmese 1430 GMT 16 Jan 94*

[Declaration issued at an emergency meeting of the Democratic Alliance of Burma Central Committee in Manerplaw on 14 January]

[Text] The secretary-1 of the SLORC [State Law and Order Restoration Council] expressed the SLORC's desire to meet with jungle-based armed organizations in Loikaw, Kayah State, on 17 November 1993. The DAB [Democratic Alliance of Burma] believed that this desire to meet with jungle-based armed organizations would be worthwhile if it was intended to establish internal peace in Burma. That is why DAB Chairman General Saw Bo Mya proposed holding an official meeting between the DAB and the SLORC in a letter to SLORC Chairman Senior General Than Shwe dated 1 December 1993. The SLORC responded to this letter verbally, saying it would not meet or hold discussions with the DAB or the NDF [National Democratic Front]; it would only meet and hold discussions with individual jungle-based armed organizations. In this regard, the DAB Central Committee's emergency meeting, held from 11 to 14 January, has issued the following declaration to the local and international community:

1. The underlying problems—the civil war and the lack of peace and stability in Burma—are directly related to the political forces, national peoples, and public in the

country. These problems are also directly related and connected to the state's constitutional system and the state's fundamental political policies. Separate and secret meetings between the SLORC and certain organizations will not produce the correct solution to these problems. Such separate and secret meetings will not produce a nationwide cease-fire or a genuine and firm internal peace. They will only produce a more dangerous situation for the country.

2. At the moment, there is a serious need to establish genuine national solidarity in Burma. In order to establish genuine and firm national solidarity, a plenary session of all political forces is required so that free, frank, and fair discussions can be held. Separate and secret meetings run completely counter to genuine and firm national solidarity; they are an abnormal act.

3. The DAB has no desire whatsoever for civil war. [Word indistinct], the DAB believes that the political issues that create and augment civil war need to be removed. The DAB deeply believes that the process of removing these political issues has to be based on the basic political interests and desires of the national peoples and the entire populace, and that the problems have to be resolved by political means. That is why the DAB has honestly struggled and is still struggling to achieve genuine internal peace.

4. The SLORC's excuse that it cannot meet with the DAB because of the different political objectives among the DAB's members is not a strong or valid reason. The DAB has one basic political objective. It is not just the DAB; the majority of political forces, all national peoples, and the entire public in the country—regardless of organizational affiliation, race, religion, or region—have the same political objective. This objective is to establish a genuine, democratic, federal union [federal pyidaungsu thamada naing-ngan]. The whole country is opposed to the SLORC and is fighting against it. Therefore, it is clear that not only the DAB, but the [word indistinct] people have the same political objective.

5. Meetings and discussions, as well as any internal peace, that overlook the fundamental political interests of the national peoples and the public have no meaning. Only the concerted effort and struggle of all peace-loving forces can produce a genuine internal peace and resolve political problems by political means. Therefore, the DAB will continue its struggle for a genuine and firm internal peace that can guarantee the fundamental political interests of the national peoples and the public by firmly joining hands with all people and patriots.

[Signed] Central Committee, Democratic Alliance of Burma; Central Headquarters, Manerplaw.

[Dated] 14 January 1994.

Brunei, Malaysia & Singapore

Malaysia

Editorial Seeks Fair Fight in Bosnia

BK1801120594 Kuala Lumpur NEW STRAITS TIMES in English 17 Jan 94 p 12

[Text] Not long after Bosnia erupted into civil war 21 months ago, the international community gambled that if it could fudge its commitment to peacekeeping long enough, the conflict would sooner or later fizzle out and be forgotten. It has not paid off; instead, with each passing day the stakes have increased to a point where the poverty of conscience is bordering on ennui. The impatience of the major powers in the shambolic [as published] Bosnian peacekeeping operation to consign the tragedy to remote memory has left them questioning themselves about how little they can get by with in dealing with the Bosnians of the future. With their default over Bosnia more or less a done deal, the NATO countries at their summit last week hastened to reassure themselves that the Atlantic alliance could still uphold lofty principle on elaborate pretense alone.

For while the post-Cold War world resolves its geopolitics in the absence of a clear definition of friend and foe, it is pretentious to assume that self-interest is anything less than paramount. Both France and Britain, the main participating nations in the Bosnian peacekeeping presence, have hinted that that interest would not be further served by exposing their troops in an inconclusive conflict. Those troops might be withdrawn if no agreement is reached by the spring—it would be pointless to stay on when the injustice of the carve-up plan has been conceded as a given. The Bosnian Government cannot accept the residue of their country as offered so far, and have no choice but to keep on fighting. With its back against the wall, it had been prepared to yield up to two-thirds of its territory in return for a face-saving and economically viable peace. Between immolation and a humiliating vestige of their former sovereignty, the Bosnian Muslims are making the only dignified choice. Having stayed neutral on the terms of a peace settlement, the Europeans see no point in turning their token gestures into sitting ducks.

Apart from the extremist elements, the Bosnian Muslims know that they cannot win back all that they have lost. The realists hope to regain the bulk of central Bosnia and wrest by force the minimal concessions that they had thus far failed to obtain by negotiation. The greatest irony of the West's dereliction over the Bosnia issue is that the basis for their inaction has not come to bear—the conflict did not end quickly. It is now safe to conjecture that had the arms embargo been lifted, the fighting would have taken less time to come to a truce, with an eventual deadlocked armistice. No matter how tense such an armed stand-off might have been, it would have been wrought at less suffering. Ethno-religious rivalry exacts greater attrition the longer it is left to

fester. The sooner an impasse is reached with reasonable grounds staked out, the more amenable will the combatants be to a practical detente.

Such "what ifs" will no doubt keep historians busy in time to come. What would make them busier still is the external and incidental costs of the international community's betrayal of principle. It is already obvious to most Muslims worldwide that their interests are incompatible with those of that community's Western leaders, vaunted principles notwithstanding. The scale of Bosnia's neglect might be small enough to be easily forgotten. But the religious sectarianism with which that conflict was fought will be remembered for a long time yet.

Central Bank Reports Increase in Reserves

BK1801094494 Kuala Lumpur NEW STRAITS TIMES in English 17 Jan 94 p 20

[Text] Bank Negara's gold and foreign exchange and other reserves, including special drawing rights rose to RM [Malaysian ringgit] 64,930.89 million as at Dec 15, 1993, from RM 60,265.32 million a fortnight earlier.

A statement from the central bank said its total assets and liabilities also increased to RM 93,788.00 million from RM 92,727.63 million previously.

Loans and advances rose to RM 2,366.83 million from RM 2,351.96 million while holdings of Malaysian Government papers, declined to RM 377.83 million from RM 515.78 million.

Holdings of bills discounted fell to RM 3,644.97 million against RM 3,695.66 million previously.

Currency in circulation also dropped to RM 14,032.54 million from the previous figure of RM 14,099.11 million.

Deposits of commercial banks, finance companies and merchant banks totalled RM 49,200.81 million as at Dec 15 against RM 47,780.51 million.

Deposits of Federal Government declined to RM 5,457.06 million from RM 5,978.51 million while State Government deposits increased to RM 610.50 million from RM 504.69 million a fortnight ago.

Sabah Chief Minister Found Guilty, Fined

BK1701145094 Kuala Lumpur BERNAMA in English 1008 GMT 17 Jan 94

[Text] Kota Kinabalu, Jan 17 (OANA-BERNAMA)—The High Court here Monday fined Chief Minister of the eastern Malaysian state Joseph Pairin Kitingan 1,800 ringgit (U.S. \$660) in default six months' jail after finding him guilty of using his position to award a shophouse project in his constituency of Tambunan to a company in which his brothers-in-law had interests.

Justice Denis Ong Jiew Fook of the Miri High Court passed the sentence after hearing mitigation from Pairin's counsel, Raja Aziz Adruse, and a reply from senior federal counsel Abdul Gani Patail.

He took about an hour and 21 minutes to decide on the sentence which was greeted with loud applause from the public gallery.

The charge under Section (1) of the Emergency (Essential Cases) Ordinance 1970, carries a maximum fine of 20,000 ringgit or a jail term not exceeding 14 years, or both upon conviction.

Pairin, 53, was found guilty of using his position as the chief minister to commit a corrupt practice by approving a 1.48-million ringgit contract for the Sabah Economic Development Corporation's shophouse project in Tambunan to Rimkaya Co. Ltd., in which his relatives were the directors-cum-shareholders.

He committed the offence at his office in the Sabah Foundation building in Likas here, on September 11, 1985.

During the trial, which lasted 96 days, the prosecution witnesses testified that Justin Alip and Jude Edward Kessy were Pairin's brothers-in-law and Rimkaya's directors-cum-shareholders.

Pairin, in his defence, said he was not aware that any of his brothers-in-law was involved with Rimkaya which was given the second phase of Tambunan shophouse contract.

He was defended by Anthony Scrivener, QC [Queen Counsel], Raja Aziz Adruse, Douglas Primus, Datuk Chau Chin Tang, and James Tsai, while Gani prosecuted, assisted by Ahmad Bache.

Singapore

Minister Stresses Need for More Malaysia Contacts

BK1701130094 Singapore THE SUNDAY TIMES in English 16 Jan 94 p 18

[Text] Kuala Lumpur—Foreign Minister Professor S. Jayakumar yesterday said that both Singapore and Malaysia should find ways of expanding contacts at all levels.

Speaking to THE SUNDAY TIMES before flying home after a two-day visit, he said that such a move was necessary because of the changed circumstances.

In the past, he said that many Malaysians and Singaporeans studied together at Raffles College and the University of Malaya in Singapore.

As this was no longer happening, he said that it was important for the two countries to make concerted attempts to build new links.

Prof. Jayakumar said that his Malaysian counterpart, Datuk Abdullah Ahmad Badawi, whom he met on Friday also agreed on the need to step up contacts.

Both felt that bilateral ties were very good and that outstanding issues between the two countries could be resolved.

As an example, he said that they noted that discussions between both countries were being conducted on two issues on the same day as their meeting.

They were the disputes over the ownership of Pedra Branca, on which stands the Horsburgh Lighthouse and which Singapore has administered for the past 150 years, and the delineation of the Straits of Johor.

"We were both optimistic that such issues could be resolved," he said.

Datuk Abdullah, who was present to bid farewell to Prof. Jayakumar, interjected that the current approach was the best. "Leave it to the present mechanism," he added.

Prof. Jayakumar took the opportunity of stressing to his Malaysian counterpart the value he attached to the Singapore-Malaysia relationship.

"With good relations, it will be easier to view in perspective the occasional hiccup that may erupt from time to time," he added.

Prof. Jayakumar, who is also law minister, was on his first overseas trip since he took over the portfolio in a cabinet reshuffle earlier this month.

He said that his visit was in line with the tradition for a newly appointed minister to call on his ASEAN counterpart and to establish personal rapport.

Prof. Jayakumar, who first met his Malaysian counterpart about 10 years ago, said that he attached great importance to personal ties as they formed a vital ingredient in establishing a good working relationship.

Datuk Abdullah has accepted an invitation from his Singapore counterpart to visit the republic later this year.

Other Malaysian leaders whom Prof. Jayakumar met were Law Minister Datuk Syed Hamid Albar and Deputy Home Affairs Minister Datuk Megat Junid Megat Ayub.

Brunei Navy Commander Meets With Defense Officials

BK1801120294 Singapore Singapore Broadcasting Corporation in English 1100 GMT 18 Jan 94

[Text] The commander of the Royal Brunei Navy [RBN] is in Singapore on a goodwill visit. It is Colonel Kafi Razali's first official visit to Singapore since taking over as commander of RBN last June. This morning he called on Defense Minister Dr Yeo Ning Hong. He also met

with the chief of Navy, Commodore Quek Siew Jin, and chief of Defense Force, Major-General Ng Jui Ping, at the Ministry of Defense. General [rank as heard] Kafi will be leaving Singapore tomorrow.

Cambodia

Northwest Military Situation, KR Talks Viewed

BK1801130794 Phnom Penh PHNOM PENH POST in English 14-27 Jan 94 pp 1, 4, 5

[Article by Nate Thayer: "Govt, KR Jockey for Political Power; Battlefield Strategies Tied to Peace Talks' Goals"]

[Exerpts] Siem Reap—Cambodian government forces are trying to launch a major military offensive against the Khmer Rouge (KR) to bolster their leverage during peace negotiations to include the guerrilla faction in the government. [passage omitted]

But the government has been forced to postpone a major push against KR strongholds at Pailin and Anlung Veng because of a lack of ammunition and difficulties in adequately preparing field operations.

KR, government and diplomatic sources agree that the government hopes to concentrate initially on a major assault on Anlung Veng, the northern headquarters of the guerrilla faction under the command of Gen. Ta Mok.

The assault on Pailin has been put on hold for fears they would not be able to successfully capture the KR stronghold without more ammunition.

"There is no panic. They are going on with their plans for the offensive as normal," said a western military source. "They are waiting for the ammunition and when they get it they will attack Anlung Veng. For Pailin, they decided to cancel their plans for the moment, they don't speak about Pailin anymore."

Both sides acknowledge the imminent fighting is a test of strength that is designed to influence the leverage each seeks during peace talks over how to include the KR in the government and the army. [passage omitted]

But both sides see the military push—expected to begin this month—as designed to gain political advantage and neither side contends that the offensive, no matter how successful, could wipe out the KR as a military force.

What is clear is that peace has been postponed for at least another dry season in Cambodia and war is seen as inevitable, by both sides, to achieve their longer term political objectives.

For the KR, this means a desire for a maximum power sharing role in the new government and the army. For the government the objective is to weaken the guerrilla faction to be in a position to give up less at the negotiating table.

"No negotiation is successful at the negotiating table alone," one KR official said. "What we get depends on the fighting. Of course we want the maximum but it depends if we can defend ourselves."

KR sources acknowledge they may be able to hold Pailin or Anlung Veng in the face of a well organized and equipped government attack.

"They will fight, we will defend the territory but not at any cost. We may lose some areas during the dry season but we will take it back in the rainy season. At the end we will come out on top. If they want to try, let them try," he said. [passage omitted]

Senior government and diplomatic sources say government officials have officially requested military aid from China, Russia, Singapore, Malaysia, Vietnam, Thailand, Laos and North Korea but have come up mostly empty handed.

Russia is said to have given ten million rounds of AK-47 ammunition and small token contributions from Malaysia and Singapore may have been acquired. China may also provide some equipment.

"We want to start now on Anlung Veng but we are waiting for ammunition. We don't have enough, we hope we will have ammo in a few short days," said Gen. Toan Chhay in an interview on Jan. 7.

He is the governor of Siem Reap province and military commander of the 4th Military Region which is in charge of the key provinces of Kompong Thom, Preah Vihear, Siem Reap and parts of Oddar Meanchey.

It is here that KR commander Ta Mok, in control of 12 Divisions, has his headquarters. He is said to control at least 3,000 regular troops, plus militia and until recently was based at Anlung Veng.

Government forces claim to have 16,000 men under arms in Military Region four.

Gen. Toan Chhay outlined the strategy of the two sides in the coming weeks: "As a whole, the KR know we are about to launch the operation against Anlung Veng for our self-defense. In the meantime they want to occupy and capture the district at Choam Khsan in Preah Vihear to set up a bridge from a new headquarters near the tri-border area.

"Once they capture Choam Khsan, they will launch to capture the whole of Preah Vihear... We want to attack Anlung Veng so that they will withdraw their troops, to draw them away from Siem Reap, Preah Vihear, Oddar Meanchey and Kompong Thom to defend Anlung Veng. If we leave Anlung Veng intact they will send their front-line further," he said.

In Battambang province, the other major military theater, commanders spoke of similar problems.

At the government Division 12 headquarters located along Route 5 near the Thai border, troops engaged in heavy clashes after attacking KR positions along Phnum Malai, north of Pailin. More than 100 people were killed or wounded in the first five days of the month, according to commanders.

"We do not have enough ammunition. They said, maybe we will get more this week," said Gen. Em Saray, deputy commander of the 12th Division.

"Our objective is to destroy the 450 Division but it depends on the weapons supply. Plans for the attack on Pailin are not clear yet. The general staff in Phnom Penh has not given us a clear decision yet."

The first week of January also saw significant fighting in the area between Samraong and the Thai border in northern Oddar Meanchey province.

KR forces captured the former FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] military base at Koam Chong and burned at least nine villages long under FUNCINPEC influence. Government forces recaptured the base but the "situation is not calm and remains unclear," said Gen Toan Chay.

However, both government and KR sources say the fighting in this area reflects ongoing local anger over the government attack and capture of the KR base at Phnum Chhat last August. It is not part of the current, centrally coordinated government offensive.

"It was a big mistake of the government to attack Phnum Chhat," said a senior government military official who asked to remain anonymous. "It made the local people very angry, not just the KR but the villagers."

Phnum Chhat was the headquarters for KR Division 519 and served as a civilian base for diplomatic and other personnel and their families.

Perhaps the most important battle theater may be in Preah Vihear province, which both government and KR sources say will be a focus of fighting.

Ta Mok has established a new headquarters north of the border district of Choam Khsan, after abandoning Anlung Veng in preparation of the expected government assault.

In an interview on Jan. 7, Preah Vihear governor and military commander Gen. Mean Sarin said his province was under daily attack by the KR. He said 500-600 KR have surrounded Choam Khsan, cut all roads and are "attacking us every day."

He said the morale of the KR troops was strong and they were well armed. KR reinforcements had been brought from Kompong Cham, Kompong Thom and Preah Vihear to participate in the assault.

"The KR really want to fight because they believe in their leaders. They are not new, but the old cadre," said Gen. Mean Sarin.

He said 300 KR had defected in his area but they were mainly recruits from the 1980s.

"The defections reflect their desire for peace. The old cadre are waiting for orders. Those that have been with the KR since 1970 are sticking to the position that the winner of the election should take control of the government according to international standards," said the general.

"They say that the KR should get 20 percent of the army, FUNCINPEC 20 percent, CPP [Cambodian People's Party] 20 percent and the KP [Khmer People's National Liberation Front] 20 percent while 20 percent should be divided among civilian administration and state bureaucracy," he added.

Preah Vihear is effectively cut off from government access by land, and 300 government soldiers are currently trying to open up Route 12 from Kompong Thom to Choam Khsan.

Equipped with bulldozers, a single mine detector and earth moving equipment, the troops are clearing 36 kilometers of heavily mined road that military commanders say must be opened within a month to save Preah Vihear from KR capture.

Gen. Toan Chay said: "We are trying to repair Route 12, otherwise we cannot save Preah Vihear. Our main objective is to defend Choam Khsan and Preah Vihear, not to capture Anlung Veng."

Gen. Mean Sarin said he has 1,970 soldiers in Preah Vihear but currently they are lacking food, ammunition, medical supplies and other necessities.

Government officials say the morale of KR troops remains high in the north.

Gen. Toan Chay said: "Morale of their troops is still very good. They are united to defend themselves. If they are not united they will die together. In the field they are willing to achieve the orders from their commanders."

"The KR are very confident," he said. "They are launching a political campaign designed to hang the government by the throat economically. They count only on their forces and finally no one loses, no one wins. The suffering falls on the whole country."

"For us to lose is very easy, to win very difficult and to maintain victory, even more difficult," said the general.

While both sides agree the outcome of the fighting will be crucial to what is finally decided at the political negotiating table, it is not likely to deal a mortal blow to the KR militarily.

The KR are prepared to give up fixed bases and have made contingencies to revert to guerrilla tactics if they lose their main rear sanctuaries.

But more importantly, many analysts say the KR threat remains primarily a political one. Military assaults can only disperse them into large tracts of jungles and remote villages that are virtually impossible for the government to bring under central control by force.

"Our military attacks are important as a demonstration of strength," said Gen. Toan Chay. "But it is not as important as economic development. We can spend millions of dollars on tanks and artillery to kill ten KR. Why?"

More alarming to many officials in the government controlled provinces and other observers, is the deteriorating security because of crime, widespread corruption by military and local officials, and the difficulty in implementing rural economic development to improve the lives of the peasantry.

They say the people had unrealistic expectations for change after the UN operation in Cambodia and the government conduct so far has done little to engender faith that things will improve soon.

It is the KR who will reap the political benefit of continuing popular frustration, they say.

A KR official said: "Politically and in terms of morale, they (the government) have no forces in the country side."

"If we didn't have popular strength, they wouldn't even give us the time of day. But if we are weak militarily, we will never get anything at the negotiating table. But this is not about the military it is about politics."

Despite KR confidence that they can withstand a government assault, people everywhere are afraid of what the faction really wants and hatred runs deep for the killings and suffering during the KR years in power.

NADK Claims Win Over Government on Route 68

BK1801055594 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 17 Jan 94

[Text] Report on the attack to destroy an offensive of the communist Vietnamese's lackey puppets on Route 68 Battlefield:

1. The puppets of the communist Vietnamese have mustered a number of their lieutenant generals, major generals, and brigadier generals to launch new offensives along Route 68. Moreover, they also called up the previously defeated troops from Kompong Thom Province as reinforcements, and General Prum Samen was personally sent from the Phnom Penh headquarters to command troops on the battlefield.

2. During the two-day battle from 15 to 16 January, the National Army of Democratic Kampuchea [NADK] attacked them with gunfire and land mines, destroying five army vehicles and two tanks. The NADK also killed over 20 enemy soldiers and seriously wounded more than 30 others, including Prum Samen, an envoy of the Phnom Penh headquarters who had previously been posted to Stoung Battlefield in Kompong Thom Province.

The enemy commanders and their rank and file were in panic but the Phnom Penh headquarters was then not able to find a replacement for Prum Samen. Finally, it ordered [Gen.] Long Sopheap of Siem Reap Province's Military Region 4 to replace the wounded general. Long Sopheap, however, said he did not yet want to go and that he needed to wait and look at the situation for a little while.

3. Afraid of being killed, the commanders of the ranks of captain, major, and colonel have fled the battlefield one after another. Hundreds of soldiers who had been forcibly recruited in various villages as well as troops in diverse units have also deserted in force.

Khieu Samphan Wants Technical Group Meeting Soon

BK1801041794 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 17 Jan 94

[Message from PDK president Khieu Samphan to FUNCINPEC chairman Prince Krompreah Norodom Ranariddh in reply to the latter's 8 January message issued on 15 January; place not given—read by announcer]

[Text] Most humbly to Prince Krompreah Norodom Ranariddh, chairman of the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party, Phnom Penh:

Highness, I would like to express sincere thanks to you for graciously sending me a cable dated 8 January. In the spirit of promoting a prompt process, I ask your permission to inform you of the following:

1. In the message dated 8 January 1994, you wrote that you support the five-point initiative of his majesty the king and that all five points should be simultaneously implemented. However, the other side has not yet accepted his majesty the king's five-point guideline.

A. The Phnom Penh faction continues to demand that the party of Democratic Kampuchea [PDK] fulfill its three preconditions first, which are cease-fire, surrender of the liberated zones, and dissolution of the army. Moreover, they have demanded that the PDK be integrated into their military and civilian structures which, basically, are the communist Vietnamese structures set up since 1979.

B. Their so-called need for constitutional amendments is merely a deception, and it means that they have already imposed a condition on the negotiations.

C. On the battlefields themselves, they have launched large-scale offensives in an attempt to crush the forces of Democratic Kampuchea [DK] and block genuine national reconciliation and they have talked about nothing but fight, fight, and fight.

Such actions cannot promote genuine national reconciliation because they are not a genuine rallying of national forces but an attempt to force the PDK into the cage that the communist Vietnamese have prepared since they first invaded Cambodia and to make the PDK commit suicide.

I would like to take this opportunity to inform your highness that the PDK is supporting the five-point guideline of high majesty the king not to get this or that position for its own benefit within the government or in this or that ministry. The truth is that the serious situation facing our nation and people at the present calls for all national forces, including DK, to take part in solving it by playing a role in the government and in an army that truly belongs to the nation known as the Khmer Royal Armed Forces.

The five-point initiative of his majesty the king stems from his wisdom, sagacity, and years of political experience, and he clearly understands that the situation requires that there be a solution not just by giving this or that position to this or that personality without according him any possibilities or rights to contribute to solving the nation and people's serious problems.

2. Concerning the technical group, I would like to propose that under the current circumstances it is desirable to allow the technical group to function as soon as possible without giving it any name, just as your highness graciously proposed to me on 17 December 1993, and with the participation of a representative of the Buddhist Liberal Democratic Party. This is not just for form's sake. It also bears a political significance. If the technical group functions according to any formulas other than that described on 17 December 1993, even if it uses his majesty the king's five-point initiative as the basis for discussions, the spirit and the wishes of his majesty the king would not be fulfilled. Only by proceeding in the manner agreed upon between your highness and I on 17 December 1993 can we meet and discuss ways to bring about early and lasting peace.

3. I sincerely inform your highness of the above because the desire and wishes of the PDK and myself are to see your highness and the FUNCINPEC party, along with other national resistance forces, enjoy full capacity and right to perform the work in accordance with your patriotic ideal. The overwhelming majority of our nation and people who gave their votes to your highness and the FUNCINPEC party also have these same desire and wishes.

Very humbly yours.

[Dated] 15 January 1994

[Signed] Khieu Samphan, president of the PDK

NADK Repeats Denial of Use of Thai Territory

BK1701053194 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 16 Jan 94

["Communique" by the spokesman of the National Army of Democratic Kampuchea; dated 12 January; place not given—read by announcer]

[Excerpts] I. Of late, the Vietnamese puppets within the two-headed government have again employed an obsolete, despicable maneuver by misleadingly proclaiming that the National Army of Democratic Kampuchea [NADK] has used Thai territory.

II. The NADK spokesman has already rejected this kind of unsubstantiated accusation with unscrupulous political motives many times.

III. It is asked why the two-headed government painstakingly proclaimed and systematically hurled this accusation at other people?

A. The government made this tumultuous accusation to conceal its shameful defeat in the so-called large-scale offensive against Phnum Malai from 1 to 3 January. During the offensive, they employed all-out efforts; they even infiltrated Thai territory in the Nang Ean area for the purpose of attacking the people and the NADK from behind. They made this clamorous and false statement with the aim of camouflaging its own intrusion into Thai territory. This is the communist Vietnamese's obsolete trick of a thief shouting 'stop thief.'

B. They made this false statement to conceal activities conducted by the warmongering communist Vietnamese and its alliance—they were hurriedly drawing up a plan and shipping invading forces, ammunition, tanks, and cannons in an attempt to attack the people and the DK [Democratic Kampuchea] resistance forces in western and northern Cambodia for the purpose of hindering national reconciliation.

C. Their blatant statement is aimed at pressuring Thailand and the Royal Thai Government into giving up their support for national reconciliation and peace in Cambodia. [passage omitted]

[Dated] 12 January 1994

[Signed] NADK spokesman

Khieu Samphan Supports Sihanouk's 5 Jan Article

BK1701035994 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 16 Jan 94

[Text] On 14 January His Excellency [H.E.] Khieu Samphan, chairman of the Party of Democratic Kampuchea [PDK], sent a telegram to His Majesty Norodom Sihanouk, king of Cambodia, expressing respect and admiration for the latter's 5 January 1994 editorial entitled "Human Rights in Cambodia and the Rights of the Cambodian People To Live Permanently in Peace Within Cambodia's Internationally Recognized Legitimate Land and Sea Borders of 1963-69." The telegram reads as follows:

Humbly to His Majesty Norodom Sihanouk Varaman, king of Cambodia.

His Majesty has composed an editorial dated 5 January 1994 entitled "Human Rights in Cambodia and the Rights of the Cambodian People To Live Permanently in Peace Within Cambodia's Internationally Recognized Legitimate Land and Sea Borders of 1963-69."

We would like to express our great respect and admiration for the resourcefulness of His Majesty, who is always concerned about national and social problems facing our Cambodian nation and people. Our people are delighted to praise you for this prowess.

The editorial is encouraging our people to join hands to resolve currently unresolved problems, both big and small, and to follow you in your crusade, like the one you launched between 1952 and 1953. Our nation and people pin their hopes on His Majesty, the only great leader capable of leading the country and preventing our Cambodian nation and people from disappearing as was the case in Kampuchea Kraom. Our nation and people are well aware of the great dangers since several western powers and UNTAC [UN Transitional Authority in Cambodia] implemented a policy of opening up Cambodia for millions of ethnic Vietnamese to enter freely and systematically.

For our compatriots—the children of His Majesty, who is the father of the nation and the father of national independence—the editorial is vitally important. For this reason, I have ordered the Voice of the Great National Union Front of Cambodia [VGNUFC] radio to broadcast the article several times for the attention of our nation and people.

Availing myself of this opportunity, I would like to wish His Majesty a speedy recovery, zealous physical strength, and high spirits. I would like to extend best wishes to the respected queen as well.

Your Majesty, please forgive any inappropriateness.

[Dated] 14 January 1994

[Signed] Khieu Samphan, PDK chairman

NADK Denies Burning Rice Fields

BK1701041794 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 16 Jan 94

["Denial" by the spokesman of the National Army of Democratic Kampuchea; dated 15 January; place not given—read by announcer]

[Text] Denial by the spokesman of the National Army of Democratic Kampuchea [NADK]:

1. Of late, Sieng Lapresse, ancillary spokesman of the two-heads-three-eyes government, has stated that the NADK has burned people's rice fields.

2. The NADK spokesman totally rejects this accusation by the ancillary spokesman of the two-heads-three-eyes government.

3. The NADK spokesman wishes to clarify that the NADK is the defender of the nation, people, and peasants. It is also the peasants' helper and liberator opposing aggressors who oppress them. This is the NADK's long-standing tradition which cannot be distorted.

On the contrary, it is only the communist Vietnamese aggressors and the communist Vietnamese puppets as well as their foreign cronies who have exploited the nation and people. They are pocketing foreigners' money and colluding with them to oppress and destroy the nation, people, and peasants. This is why they have no support from the peasants' force.

As for NADK and Democratic Kampuchea [DK], they have support. This is because the DK and NADK are defenders of the nation and people and liberators of the peasants.

[Dated] 15 January 1994

[Signed] NADK spokesman

NADK Condemns MiG Attack on Pursat Village

BK1801072394 (Clandestine) Voice of the Great National Union Front of Cambodia in Cambodian 2330 GMT 17 Jan 94

["Press Communique" by the spokesman of the National Army of Democratic Kampuchea dated 12 January; place not given—read by announcer]

[Text] Press communique by the spokesman of the National Army of Democratic Kampuchea [NADK] condemning the two-headed government, which is a foreign lackey, for using a MiG warplane and rockets to attack the houses of the inhabitants at Chreh village, Reang Khvay commune, Leach District, Pursat Province:

1. On 8 January at 1100, a MiG warplane fired many rockets on the houses of the inhabitants in Chreh village,

Reang Khvay commune, Leach District, Pursat Province. As a result, many houses were damaged, and a number of cattle were killed.

2. The NADK wishes to join our nation and people in vehemently denouncing and condemning the criminal activities against the aforementioned people committed by the two-headed government whose masters are the communist Vietnamese and an alliance.

3. The action by the two-headed government constitutes a continuation of the communist Vietnamese aggressors' policy of eradicating the Cambodian race and an action against the king and the Cambodian nation and people, who have repeatedly called for national reconciliation to restore peace in accordance with the five-point initiative of his majesty.

For more than six months, the two-headed government group has done nothing but stubbornly continue the war to destroy the nation and people at will. Also, it has given Vietnam a free hand to ship its people to Cambodia—the Vietnamese in the country now number nearly 4 million—and to cut off and seize part of Cambodia's maritime territory and some of the country's islands. Their crimes are extremely serious. The people in both the rural and urban areas and those living abroad are judging their crimes and sentencing them.

No force is more vigorous than the people's force. Aggressors, old and new alike, have already tested the Cambodian people's force. The latter have no intention whatsoever to eliminate anybody; they only want to achieve national reconciliation in compliance with the five-point plan of the king so that the nation can regain peace and the people can have the opportunity to earn a living, look after their families, and rebuild a Cambodia with genuine independence, unity, and territorial integrity as in the epoch preceding 1970.

[Dated] 12 January 1994

[Signed] NADK spokesman

Official Views Khmer Rouge, Vietnamese Situation

BK1701144794 Phnom Penh National Voice of Cambodia Radio Network in Cambodian 1300 GMT 17 Jan 94

[Excerpts] While meeting with reporters on the morning of 15 January at the opening of a vocational training course on journalism organized by UNESCO, Ek Sereivoat, state secretary in the National Defense Ministry, said that the Khmer Rouge issue will certainly be resolved within a year at most. [passage omitted]

On the same occasion, he answered questions from local reporters on the influx of Vietnamese immigrants and the anarchy among some of the armed forces. He said that the Royal Government is focusing on and paying attention to problems at a number of border passes, particularly passes along waterways, where ministers and

deputy ministers in the Ministry of National Defense are vigorously striving to solve problems. So far, hundreds of Vietnamese boats have been prevented from continuing their journey into Cambodia. Concerning the anarchy among the armed forces, he stressed that an appropriate army structure will be set up very soon. As for other aspects of the anarchy, such as unauthorized checkpoints, the Royal Government has firmly assigned tasks to commanders of operational zones and police chiefs in cities and provinces, who must absolutely eliminate this problem.

Ranariddh, Hun Sen Depart for Beijing 17 Jan

BK1701053994 Phnom Penh AKP in English 0417 GMT 17 Jan 93

[Excerpt] Phnom Penh AKP January 17—A high-level delegation of the Royal Government of the Kingdom of Cambodia left here this morning for Beijing for a five-day official visit to China at the invitation of the Chinese Premier Li Peng.

The 25-strong delegation, led by the First Prime Minister Prince Norodom Ranariddh and Second Prime Minister Hun Sen consists of senior government figures including the ministers of foreign affairs, industry, commerce, agriculture, planning, public work and transport.

The visit is aimed at strengthening bilateral relations between the two countries. [passage omitted]

Egyptian Envoy Presents Credentials to Sirivut

BK1701052094 Phnom Penh AKP in English 0420 GMT 17 Jan 94

[Text] Phnom Penh AKP January 17—Cambodia is going to appoint an ambassador to Egypt soon, according to Cambodian Minister for Foreign Affairs and International Cooperation Prince Norodom Sirivut.

Speaking to Mr. Mohamed Azzazi, extraordinary and plenipotentiary ambassador of Egypt to Cambodia who presented him a duplication of credential letters on Saturday, Prince Sirivut said the Ministry of Foreign Affairs and International Cooperation would create favourable conditions for the Egyptian ambassador to fulfill his mission in Cambodia.

Mr. Mohamed Azzazi expressed to Prince Sirivut, his pleasure for having been appointed as ambassador to fulfill his mission in Cambodia.

He pledged to do his best for further strengthening relations between the two countries, Cambodia and Egypt.

He also forwarded a letter from Egyptian Foreign Minister to Prince Sirivut inviting the latter to attend the conference of the foreign ministers of Non-aligned countries to be held in Cairo in June.

Prince Sirivut expressed his thanks to the Egyptian Foreign Minister for the invitation.

Indonesia

Iranian Minister Holds Talks With Suharto

LD1301114794 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1030 GMT 13 Jan 94

[Text] The potential fields of cooperation between the Islamic Republic of Iran and Indonesia in the fields of aircraft manufacturing industries, the manufacturing of naval equipment, and the exchange of technical know-how were discussed in yesterday's meeting between the minister of heavy industries of our country and the Indonesian president. In that meeting they also talked about making use of Iranian port facilities for the transportation of Indonesian goods to Central Asia.

Mr. Nezhad-Hoseynian, our minister of heavy industries, arrived in Jakarta last Sunday on a week-long visit.

Suharto Views World News Imbalance, Human Rights

BK1701131094 Jakarta ANTARA in English 0714 GMT 17 Jan 94

[Text] Jakarta, Jan 17 (OANA-ANTARA)—President Suharto here on Monday called on regional journalists to rectify the imbalance in world news which mostly disadvantages developing countries.

"We are nowadays often flooded with news which, on the one hand, are beneficial to the interest of advanced countries while, on the other hand, destroy the image of developing countries," he said, opening the 18th general assembly of the Confederation of ASEAN Journalists and International Press convention.

Suharto stated the striking disparities, inequalities, and injustices in the relations between the developed and developing countries did not occur only in the economic sphere but also in other fields, including the press.

"It is incumbent upon us to spare the responsibilities of changing these inequalities and injustices," he said.

Touching on human rights issues that draws international attention lately, Suharto said that the improvement on and protection of the human rights should be seen as a whole and not separately.

He reiterated that the implementation of human rights was dependent and colored by the different economic, social, and cultural conditions of individual countries, saying that human rights is the right of every nation to have its own national characteristics and culture, as well as the right to determine its own social and political systems.

There should not be an excessive evaluation or emphasis on one right over others, he said.

"As a nation that was colonized for 350 years, the Indonesian nation fully understands the meaning and essence of human rights," he added.

Suharto also said the press should also bear in mind that there were regional and national differences on the understanding, institutionalizing, and implementation of human rights.

"The differences in the level of progress and living standard brought a meaningful impact on the practice of human rights. Hopefully these issues also draw the attention of the press," he added.

President Suharto warmly welcomed the conference's choice of theme of North-South and South-South dialogues, saying that in the current globalized world, solution to the world's problems should be sought and implemented jointly by both developed and developing countries.

"Therefore, only through constructive dialogue between North and South countries based on partnership, mutual interest, shared benefit, and responsibility, can the world free itself from the present apprehensive situation," he said.

He also expressed the hope that a sound, free, and responsible press would assist the press and other media in the region in encouraging the development of the society.

Alatas: 'Possibility' UN Official To Meet Gusmao
BK1701114294 Hong Kong AFP in English 1057 GMT 17 Jan 94

[Excerpts] Jakarta, Jan 17 (AFP)—Two senior United Nations officials will visit jailed East Timor independence movement leader Xanana Gusmao in his Jakarta prison, sources close to the delegation said Monday. [passage omitted]

The UN envoys, Tamrat Samuel and Francesco Vendrell, arrived in Jakarta Sunday and had talks with Indonesian Foreign Minister Ali Alatas.

Alatas would not confirm that the envoys would visit Gusmao, but told AFP there was a "possibility" they would do so.

He said his talks with the envoys had centered on new discussions on East Timor he was scheduled to have with Portuguese Foreign Minister Jose Manuel Durao Barroso on May 6, under the auspices of UN Secretary General Butrus Butrus-Ghali. [passage omitted]

Taxation, Other Agreements Signed With Egypt
BK1801085094 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 17 Jan 94

[Text] Indonesia and Egypt have signed an agreement on avoiding double taxation to protect investors and boost bilateral trade and investment. Speaking at the third

session of the Indonesia-Egypt Commission in Jakarta today, Yusuf Butrus-Ghali, Egyptian minister of state for international cooperation, said the agreement constitutes a normal part of international bilateral relations. In addition to the accord on avoiding double taxation, the two countries also reached agreements on investment protection, tourism promotion, and educational and cultural cooperation.

Finance Agreement Signed With Malaysia

BK1301053194 Jakarta Radio Republik Indonesia Network in Indonesian 0500 GMT 13 Jan 94

[Text] Indonesia and Malaysia have signed a bilateral technical cooperation agreement on several financial and banking sectors in an effort toward further strengthening their existing bilateral relations.

In the document signed by Finance Minister Mar'ie Muhammed and his Malaysian counterpart, Anwar Ibrahim, the two governments agreed to upgrade their respective governments' technical cooperation, among other things, in the financial and banking sectors.

Navy Sends Ships to Natuna Island Waters

BK1401055094 Hong Kong AFP in English 0422 GMT 14 Jan 94

[Text] JAKARTA, Jan 14 (AFP)—The Indonesian navy has deployed four ships, including three frigates, in a two-month naval operation to safeguard the waters near Natuna islands in South China Sea, a navy spokesman said here Friday.

"The operation is aimed at maintaining security in the area and to anticipate the possible visits of Cambodian and Vietnamese boat people who are often found visiting the islands," Indonesian West Fleet Spokesman Lieutenant Colonel Sunarto Wibow told AFP by telephone.

"Although we do not receive any more reports on piracy in the past 12 months we have to stay alert," he said, adding the operation would end in February.

Sunarto said the "Natuna Jaya Operation" involved three frigates and a supporting tanker ship.

Editorial Considers Debate on Legal System

BK1501135794 Jakarta SUARA PEMBARUAN in Indonesian 28 Dec 93 p 2

[Editorial: "The Development of the Nation's Legal System and National Discipline"]

[Excerpt] Several legal experts gave their opinions at a seminar on "The Prospects for the PJPT II [next 25-year development plan]" in Jakarta last week. They concluded that economic and political interests in Indonesia have made the nation's legal system subordinate to these two fields. The experts also concluded that law has never been the determining factor in decisions. The seminar

was attended by Professor Dr. Sunaryati, a legal expert; Professor Dr. Sri Sumantri, dean of the Law Faculty at Pajajaran University; and Dr. T. Mulya Lubis, a legal expert.

The legal experts told the seminar that the legal system in Indonesia has been tampered with from time to time. They said that the government, professional institutions, businessmen, and the people must show the political will to strengthen the national legal system. At the seminar, the legal experts cited several concrete examples to support their allegation that the country's archaic legal system is no longer suitable for the present situation. The experts agreed, however, not to point out the unsuitable laws in the existing legal system, but instead discussed ways to seek the best replacement for those regarded obsolete so that future generations can observe the new laws.

Sunaryati said that we do not have to blame the old laws which the nation inherited from the Dutch colonial masters. Instead, we should think of a way to establish our own national laws that are free from political dominance and applicable to the present situation. Mulya Lubis said the current legal system has made the judicial institutions ineffectual purveyors of justice. He singled out the courts' failure to uphold justice when dealing with the nation's economic and business laws had resulted in the non-repayment of loans. In other words, there is no political will to settle the bad debts problem even though there is a clause in the law that will allow the problem to be settled comprehensively.

Actually the practice of dispensing one's own rules is not something new in this country. Several cases of contempt for the law have been discovered and efforts to uphold justice have been carried out by the legislative and executive branches. This could be seen from several documents that date back to the formation of the Republic of Indonesia.

It is interesting, however, to note the outcome of the seminar. This is because the topics of discussion were highlighted at a time when the nation is at the take-off stage for entry into the PJPT II. At this stage, the legal system is one of the most important factors in efforts to implement the national development targets. Definitely, every aspect of the legal system should be guided by the national discipline which is the driving factor behind the people's obedience and loyalty to the laws. National discipline is a norm that exists in a society.

To cite an example, the MPR [People's Consultative Assembly] always places national discipline as one of the dominant factors in the Broad Outline of State Policies [GBHN]. This means we have to abide by the national discipline to ensure that our national development goals are achieved. [passage omitted]

Laos

CPC Condolences on Death of Phoumi Vongvichit

BK1801111994 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 17 Jan 94

[Text] The Communist Party of China Central Committee sent a telegram of condolences to the Lao People's Revolutionary Party [LPRP] Central Committee in Vientiane on 10 January.

The message reads: We would like to express with grief our condolences upon hearing the news that Comrade Phoumi Vongvichit, adviser to the LPRP Central Committee, former acting president of the Lao People's Democratic Republic, and former Political Bureau member of the LPRP Central Committee, has passed away because of his illness.

Comrade Phoumi Vongvichit was a (?competent) leader of the party and state of Laos. Through his long revolutionary life, he significantly contributed to the tasks of national liberation and the building of [word indistinct] of Laos. He made great efforts to protect and develop the traditional friendship between the two countries, China and Laos, and their peoples. The passing of Comrade Phoumi Vongvichit is a great loss for the party, state, and people of Laos, as well as for the party and people of China, who has lost an intimate friend. Please also convey our regards to the family of Comrade Phoumi Vongvichit.

SRV, Japan Condolences on Phoumi's Death

BK1801103794 Vientiane KPL in English 0858 GMT 18 Jan 94

[Text] Vientiane, Jan 18 (KPL)—The Executive Committee of the Central Committee of the Communist Party of Vietnam, on January 8, sent a telegram of condolences to the Executive Committee of the Lao People's Revolutionary Party Central Committee [CC] over the decease of Phoumi Vongvichit.

The Vietnamese leaders expressed profound regret and grief over the passing away of Phoumi Vongvichit, advisor to the Lao People's Revolutionary Party CC, former acting president of the republic, former deputy prime minister, minister of education, sports and religious affairs, former president of the Lao Front for National Construction.

The Vietnamese leaders said that Mr. Phoumi Vongvichit was an influential party and state figure who sacrificed his life for national independence and the well-being of the people. He was praised as an undaunted revolutionary who contributed much to the consolidation of the relations of friendship and special solidarity between Vietnam and Laos. The Vietnamese leaders considered the death of Mr. Phoumi Vongvichit as a great loss to the party and state and the people of Laos.

Mr. Somsavat Lengsavat, minister of foreign affairs of the Lao People's Democratic Republic, meanwhile, has received the following message of condolences from H.E. Mr. Tsutomu Hata, deputy prime minister and minister for foreign affairs of Japan:

"I have learned with deep sorrow the passing away of his excellency Mr. Phoumi Vongvichit, advisor to the government and former acting president of Lao People's Democratic Republic.

"Mr. Phoumi Vongvichit, with his distinguished personality, made strenuous efforts for construction of Lao People's Democratic Republic, and also contributed to the strengthening of friendly relations between our two countries".

In this connection, Mr. Saman Vi-gnaket, chairman of the committee for funeral of the Lao People's Revolutionary Party Central Committee, received the following message of condolences from Mr. Taro Nakayama, member of the House of Representatives and former minister for foreign affairs of Japan.

"I am deeply grieved to be informed of the passing away of his excellency Mr. Phoumi Vongvichit, former acting president of the Lao People's Democratic Republic.

"I am strongly impressed that his late excellency Mr. Phoumi Vongvichit had rendered great contribution for independence, construction of new state of the Lao People's Democratic Republic as well as for the promotion of friendly relations between our two countries."

Chinese Invest U.S.\$1 Million in Oudomsai

BK1501101094 Vientiane KPL in English 0703 GMT 15 Jan 94

[Text] Vientiane, January 15 (KPL)—There were last year three Chinese companies coming to make investment in the province of Oudomsai, with a total value of more than US \$1 million.

The Chinese companies are from Sibsong Panna, Yunnan, and Simao. The wholly Chinese investment was in the fields of services, hotel and restaurant.

According to the regulations concerning foreign investment in Laos, foreign investment ventures will be transferred to the Lao side upon the termination of a 15-year agreement.

Philippines

MNLF: Iran's Islamic Jihad Not in Mindanao

BK1401055894 Quezon City Radio Filipinas in English 0230 GMT 14 Jan 94

[Text] A prominent Muslim leader denied the existence of an Islamic jihad in the Philippines. MNLF [Moro National Liberation Front] Reformist Group Chief, Makapanton Abbas says they have not heard any local

chapter of the Islamic jihad, a group formed by Iranian extremist during the civil war in Lebanon. The group which claimed responsibility for the bombings in Davao City had called itself Islamic Jihad. Abbas maintains that rightist military elements are behind the bomb attacks.

MNLF Talks Complicated by Alleged Plot

BK1701083094 Manila MANILA STANDARD in English 13 Jan 94 p 2

[By Romie A. Evangelista and Joe Macabalang]

[Text] The on-going peace talks between the secessionist Moro National Liberation Front (MNLF) and the government may be stalled further as the latter stood pat on its stand not to allow MNLF Chairman Nur Misuari to move around Mindanao with 500 armed bodyguards.

The problem could be compounded by the military's claim that it has uncovered an alleged plot by the MNLF to mount terrorist attacks in the region aimed at expanding the granting of autonomy to 13 provinces envisioned in the 1976 Tripoli Agreement.

Armed Forces Intelligence reports claimed that during a meeting in Maimbung, Sulu last December, MNLF Chairman Nur Misuari allegedly issued "secret orders" to his top lieutenants directing them to resume hostilities against the government.

The instructions were allegedly to spare the provinces under the Autonomous Region in Muslim Mindanao composed of Basilan, Sulu, Maguindanao and Lanao del Sur.

Ambassador Manuel Yan, the government chief peace negotiator said they had not received such reports.

In yesterday's press conference at Camp Aguinaldo, Yan said the government will not allow Misuari with a brigade of armed MNLF men.

In Cotabato City, meanwhile, a top MNLF leader said Misuari "will definitely come" to pursue the stalled signing of his front's formal cease fire agreement with the government.

"Ang pagdating dito ni Chairman Misuari ay medyo naantala... lang dahil hindi nagkasundo ang MNLF at gobyerno sa proposal namin tungkol sa security escorts niya [The arrival of Chairman Misuari here is slightly delayed because of the disagreement between the MNLF and the government with regards our proposal on the size of the chairman's security escorts]." Al Fattah Abubakar, chairman of the MNLF cease fire committee said.

Abubakar was referring to the MNLF proposal for Misuari to bring a 500-man armed escort to the city for the duration of the scheduled signing of the truce in time with the three day meeting here of the RP [Republic of the Philippines]-MNLF joint defense and security committee.

The military rejected the proposal and instead endorsed 40 Marines and 40 rebel armed escorts for the government and MNLF panels, respectively. This amended an alleged standing rule that allows only 15 armed escorts for each camp.

Sources said such rejection prompted Misuari not to show up at the compound of the Autonomous Region in Muslim Mindanao (ARMM), meeting venue, and forced the RP-MNLF joint defense committee members to shorten their three day meeting (from Monday to Wednesday) to two hours last Tuesday, they said.

But Abubakar expressed optimism that "higher authorities" will reconsider the MNLF original proposal because, he said, it was verbally agreed in Zamboanga City last week by him and DND [Department of National Defense] Undersecretary Feliciano Gacis, GRP [Government of the Republic of the Philippines] defense committee chairman.

On the basis of such optimism, Abubakar said "Chairman Nur Misuari will definitely come" for the signing of the truce, which contains detailed provisions of the cease fire pact agreed by the peace panels in Indonesia last November.

Negotiator Clarifies Delay in Truce Signing

BK1701060494 Manila THE MANILA CHRONICLE
in English 13 Jan 94 pp 1, 6

[By Frank Longid Jr. and Nelson Bagaforo]

[Text] Discussions between the working committees of government and Moro National Liberation Front (MNLF) negotiating panels went smoothly last Tuesday, contrary to reports that the peace talks had hit a snag, government negotiators said yesterday.

There was no "failure" to sign a cease-fire agreement, they said, because the signing of the document was not scheduled for this week in the first place.

Government chief negotiator Manuel Yan said both sides were, still studying the proposed agreement, although he said it might be signed in the near future. "The guidelines and ground rules are still being studied, and after we agree on them, then that's when the signing will take place," Yan said.

What was scheduled for this week, according to Defense Undersecretary Feliciano Gacis, was a meeting in Cotabato City of joint support committee number one of which he is the government co-chairman. "The MNLF co-chairman is Dr. Tham Manjoorsa.

The meeting, Gacis said, did not need the presence of MNLF Chairman Nur Misuari, as the media had reported. Misuari, sources in the panel said, only wanted to be present during the discussions, but his absence would make no difference because "these discussions are at the level of the support committees, which are 'below' him (Misuari)."

Support committee number one is concerned with defense and security matters. There are four other such committees tackling discussions on the educational system, the financial and economic system, the judiciary and the administrative system.

The committees, Gacis pointed out, thresh out issues of contention in the Tripoli Agreement.

Gacis said the worst incident which occurred was that his discussions with Manjoorsa were delayed for one day "because of site preparation."

He said his meeting with Manjoorsa was cordial, and that they exchanged position papers on the topics they were scheduled to discuss. "After perusing the documents, we agreed that we both needed time to study and respond further so both sides agreed to meet again two weeks from now," he told a press conference in Camp Aguinaldo.

He refused to reveal the contents of the papers, saying only that the MNLF's was a slight modification of what they had submitted during the formal talks in Jakarta last year. Developments with regard support committee number one are particularly crucial since they represent what are believed to be the most controversial sections in the Tripoli Agreement: paragraphs two and eight.

Paragraph two, Gacis said, "states that defense matters shall be the concern of the national government provided that the joining of the MNLF forces with the Armed Forces of the Philippines will be discussed later—so that's why we are discussing it."

"Paragraph eight says special regional security forces will be set up in the area of autonomy in southern Philippines provided that the details will be discussed later," he said.

"What has caused so much trouble," said an official who requested anonymity, "is that some have assumed that this merger of the MNLF and AFP [Armed Forces of the Philippines] and the setting up of regional security forces can be taken for granted when it's very clear that these are subject to discussion."

Nevertheless, Gacis said, he had already found "possible points of agreement" in the position papers.

He conceded "there are also points where we have to close the gap," and this was why both sides agreed to study the matter more closely before meeting again.

As for Misuari's reported wish to enter Cotabato City with 500 armed bodyguards, Yan said: "In the cease-fire agreement it is clearly provided that both will refrain from provocative acts."

Although the agreement has yet to be signed, Representative Edgardo Ermita, a government negotiator, said it was already being observed informally by both sides.

Yan refused to categorically call Misuari's request as "provocative" saying only that "we see no need for a

large number of (MNLF) men to secure chairman Misuari, when we have taken responsibility for his safety."

ICO Backs Mindanao Investment Despite Bombings

BK1701022494 Manila MANILA STANDARD in English 13 Jan 94 p 4

[Text] The influential Organization of Islamic Conference (OIC) will keep its commitment to convince its member-countries and allies to invest in Mindanao despite the rash of terrorist acts in the area which may discourage foreign investors, foreign affairs officials said yesterday.

According to sources at the foreign affairs department, the OIC will not renege on its vow to help Mindanao on its path to economic recovery, since it was convinced that President Ramos is sincere in peacefully settling the decades-old Muslim secessionist movement in the southern Philippines.

Earlier, a high-ranking OIC official, Secretary-General Hamid al-Gabid, had committed to the president during a meeting at Malacanang that the 52-nation OIC would bring in investments to Mindanao.

Officials said OIC's commitment to the Ramos administration was a giant step in helping improve Mindanao's economy. The commitment is also doubly significant, according to officials, since the government's previous bids to seek the support of the OIC to assist Mindanao, were fruitless.

Al-Gabid, however, has committed to the president the OIC leadership's strong support for the Philippines' investments' pitch during the annual OIC foreign ministers meeting which will be held in Tunisia this April.

According to officials, al-Gabid had been satisfied during his visit here in seeing for himself that the president was committed to Mindanao's economic development and the grant of autonomy to Muslim-dominated areas in the region.

Foreign affairs officials said this view has not changed despite the bombings in recent weeks in Mindanao, particularly in Christian and Muslim religious sites.

Last December, the San Pedro Cathedral in Davao City was bombed leaving scores of people killed and hundreds injured. The cathedral bombings was followed by explosions which rocked two Muslim mosques.

Aside from supporting the Ramos' administration's economic programs for Mindanao, the OIC had also assured the government that it will not tolerate any moves to violate the territorial integrity of the Philippines.

Sison Accuses Government of Aiding Breakaways

BK1401095794 Quezon City MALAYA in English 10 Jan 94 p 2

[By Romy Tangbawan]

[Text] Jose Maria Sison, exiled leader of the Communist Party of the Philippines (CPP) yesterday accused the Ramos administration of "coddling (party) renegades" and threatened to pull out of the peace talks unless such "reprehensible" act is stopped.

"There are glaring indications that they (renegades) are being manipulated for a scheme of bloody intrigue," Sison said in a statement faxed to media outfits in Manila from the National Democratic Front (NDF) International Office in Utrecht, The Netherlands.

The statement named the renegades as Romulo Kintanar, Arturo Tabara, Filemon Lagman, and Ricardo Reyes, who are all facing criminal charges before the party for allegedly committing acts inimical to the interest of the movement.

Sison claimed that the NDF international office has received information that the four "renegades" use firearms and bodyguards provided by the government.

It said the four, under the supervision of military intelligence officers, have been holding caucuses and other activities in Metro Manila since September 1992 with the goal of "decapitating, discrediting, disintegrating and destroying" the movement.

Kintanar, alias Daniel Bagani or Dan, was the former chief of the New People's Army; Tabara, alias Victor del Mar, Pol, and Piloy, used to head the CPP Central Visayas Commission; Lagman also known as Carlos Forte and Popoy, heads the breakaway CPP Manila-Rizal Regional Committee; Reyes was former deputy secretary-general of the CPP-Mindanao Commission.

Kintanar, in particular, is being blamed by the CPP-NPA of introducing "gangsterism" in the movement in Davao City in 1984, "abuse of authority," and corruption within some party units.

Sison expressed concern that the four ex-rebel chiefs have been "openly and freely" operating in Metro Manila and "misrepresenting" themselves as CPP leaders despite the fact their expulsion from the party had been made public.

Sison hinted that Malacanang may not have sanctioned such scheme, pointing out that there are military and police officials who have been overruled by their superiors but who continue to disagree with the policy of "condoning, arming and funding criminal elements who have committed random killing of military and police officers, mass murders [sentence as published]."

But he said the "U.S.-Ramos regime cannot escape responsibility for any crime of intrigue committed by its

military personnel and its Balweg-type assets against the patriotic and progressive forces in the Philippines."

Sison reminded the president, whom he addressed by his former military title "General Ramos," that similar tactics were applied by past administrations using the "Lava revisionists," "Kumander [Comrade] Melody," "Kumander Pusa," and rebel priest Conrado Balweg against the movement but all have failed.

Sison first threatened to withdraw his group from the peace talks after assassins killed Vicente Martinez, another former NPA chief, at his house in Antipolo, Rizal last week. The CPP described the slaying as an attempt to spark killings within the movement.

Partisans loyal to Lagman's group have blamed Sison's faction for the killing but sources from the mainstream movement said there is no reason for them to want Martinez killed since he is not among the renegades.

Sison suspected that government forces were behind the killing.

Sison Calls CPP Regional Leader's Arrest Fake

*BK1701034494 Quezon City MALAYA in English
12 Jan 94 p 2*

[By Chit Estrella and Eric Loretizo]

[Text] Exiled communist leader Jose Maria Sison yesterday branded the capture of Arturo Tabara, a former ranking communist party official, as a fake and reiterated the charge that the latter had turned military agent a long time ago.

In faxed message where he reacted to reports that the military had arrested Tabara and four other dissidents, Sison said, "The so called capture of Arturo Tabara is not a real capture because he has been a military asset since 1988, the year his wife was arrested and released upon Tabara's agreement to cooperate with the ISAFP (Intelligence Service of the AFP [Armed Forces of the Philippines]).

Sison, however, said it was possible the four others were truly captured by the military and were trapped into being so by Tabara.

"There are strong indications that Tabara surrendered his henchmen to the enemy. They were supposedly armed and yet did not offer any resistance," the CPP [Communist Party of the Philippines] founder said.

Because he believes the capture was merely staged, Sison said he would not be surprised if Tabara is soon released.

Moreover, "we should not be surprised if Tabara and his henchmen shall continue to speak and act as counterrevolutionary agents of the U.S.-Ramos regime and are given all the opportunities to do so while they are supposed to be in military custody," he said.

Tabara was one of four former CPP officials expelled from the party late last year. They were opposed to the leadership of Sison and have been identified as leaders of the "rejectionists" faction in the underground leftist movement.

In an interview after his capture, Tabara dared Sison to come home and lead the rebellion himself.

He called Sison a megalomaniac and discounted the possibility of a reunification with Sison's group. Tabara added that his group is forming a new "proletarian people's party" with armed struggle and political work as the basis of their existence.

Meanwhile, former Ambassador Howard Dee, head of the government panel negotiating with the communist groups yesterday admitted that he is getting impatient with the "dilly dallying" attitude of the communist leaders adding that delay in the talks will only put their group at a disadvantage.

"The more they make us wait, the more they can be marginalized," Dee said.

President Ramos earlier said that after 25 years of existence, the Communist Party of the Philippines have failed to successfully push their ideology and even resulted in party rift.

Dee said the talks is now temporarily stalled since the CPP leaders have yet to answer government demands that the preconditions to the preliminary talks pushed by CPP head Jose Maria Sison be removed.

Dee said Sison is proposing that the preliminary talks be held in Europe, either in Brussels, Netherlands or Luxembourg so that Sison who is in exile in Utrecht will have no difficulty in getting travel documents.

Dee stressed that the preliminary talks which they both agreed should precede the exploratory talks in Vietnam should tackle only the ground rules and physical arrangements for the talks.

He said the contentious issues which Sison and his groups want resolved before the preliminary talks should instead be included as agenda during the exploratory talks.

Thailand

Prime Minister Chuan Receives Bentsen

BK1801145194 Bangkok Army Television Channel 5 in Thai 1200 GMT 18 Jan 94

[Text] U.S. Secretary of Treasury Lloyd Bentsen, accompanied by financial advisers, had a meeting with Prime Minister Chuan Likphai at Government House for about half an hour today.

Reporting on the meeting, Finance Minister Tharin Nimmanhemmin said that the subjects discussed during

the meeting include preparations for an unofficial meeting of the finance ministers of the members of the Asia-Pacific Economic Cooperation, or APEC, which will be held in Hawaii, the United States, on 18-19 March. The U.S. treasury secretary proposed that a meeting of senior APEC officials be held prior to the ministerial meeting. Tharin said Thailand will be represented by Fiscal Policy Office Director Somchai Ruchuphan. The meeting will discuss financial and monetary matters within the framework of an earlier discussion held by APEC leaders in terms of the economic development of the Asia and Pacific region with a view of achieving a stable, high growth rate. Discussions will also stress bilateral cooperation.

Meanwhile, U.S. Secretary of Treasury Lloyd Bentsen said after an official consultation with the Thai prime minister that the United States is interested in expanding cooperation with the Asia and Pacific region. He said the United States is interested in reaching a conclusion with Thailand about the financial service sector—Thailand is at a disadvantage from the conditions of the just-concluded GATT round of trade talks and seeks to begin talks at a bilateral level. It is believed that future negotiations will help Thailand settle the problems. He said the United States adheres to the principle of trade expansion, which equally benefits its trading partners in Asia.

Asked by the mass media about U.S. assistance and cooperation for Asian countries, the U.S. secretary of treasury said Thailand and Indonesia can play an important role in expanding cooperation to other countries within the framework of trade liberalization which is supported by the United States.

Spokesman Denies Support for Khmer Rouge

BK1301121194 Bangkok Voice of Free Asia in Thai 1030 GMT 13 Jan 94

["Special Report"]

[Excerpt] [passage omitted] The spokesman of the Cambodian Information Ministry, Sieng Lapresse, made an observation to the media on the support by some Thai military officials for the Khmer Rouge.

On this issue, Rawi Hongpraphat, the deputy director of the Foreign Ministry's Information Department and deputy ministry spokesman, said that he did not wish to make a rebuttal, adding that the prime minister's visit clearly demonstrated Thailand's stand: that is, Thailand wanted Cambodia to be confident in the former's attitude toward it, and it wanted to further strengthen relations with the Cambodian Government.

To date Thailand has displayed its sincerity, Rawi said. Therefore, he could not understand the reason for the repeated negative news. If there was anything Cambodia had wanted to know, it could have made inquiries

through the Thai Embassy, as agreed upon by both sides concerning the dissemination of information and news conferences.

In any event, the deputy foreign ministry spokesman is confident that the prime minister's visit will promote a good climate and provide direction for Thai-Cambodian relations. This is because support for the Khmer Rouge is not the policy of the Thai Government or a basis of operations of the Thai armed forces. If there are allegations about any involvement by Thai military officials without the knowledge of the armed forces, it is the duty of the armed forces to investigate.

1st Army Chief: No Support to Khmer Rouge

BK1401023994 Bangkok THE NATION in English 14 Jan 94 p A 4

[Excerpt] First Army Commander Chettha Thanacharo yesterday played down a comment by a Cambodian Information Ministry spokesman that there were still "bad seeds" in the Thai military who continue to support the Khmer Rouge.

"If he wants to speak, let him do so. But I believe in the truth. The world knows it is not possible for us to still support the guerrillas," Chettha said.

Spokesman Sieng Lapresse attacked Thai military recently in the Phnom Penh press, which quoted him as saying that some Thai military officers were against the government's stated policy not to support the Khmer Rouge.

"They have a bad Thai military (element) in there that supports the Khmer Rouge against Thai policy. Let's get the bad seeds out of there," Sieng said.

Chettha said the government and the military have made it clear that they stopped providing arms to the Khmer Rouge after the Paris peace accords were signed in 1991.

Thailand, instead, had played a vital role in restoring peace to the beleaguered country.

"We always assist the legitimate government. But they still dig up the past. We can't stop them from making such comments," he said.

Chettha expressed confidence that Cambodian criticism and suspicions would cease as a result of Prime Minister Chuan Likphai's current trip to Phnom Penh. He urged the public to put its trust in the government.

He also called on the press to understand Thailand's position and help boost understanding. He said Thailand had made many contributions to Cambodia, including building infrastructure and schools.

Deputy Prime Minister Banyat Banthaththan yesterday also insisted that the Thai military had stopped providing assistance to the Khmer Rouge.

"All branches of the armed forces have confirmed to me that they no longer support the Khmer Rouge. Once such an assistance was given. But now it is an old issue," said Banyat. [passage omitted]

Commerce Source Expresses Doubts About EAEC

BK1701024594 Bangkok BANGKOK POST in English
17 Jan 94 p 21

[Excerpts] Thailand doubts whether the proposed East Asia Economic Caucus (EAEC) will be of any benefit since many of its prospective members already have a strong organisation in the Association of Southeast Asian Nations (ASEAN) [passage omitted]

Sources at the Commerce and Foreign Affairs ministries said that besides Malaysia, only Japan appears enthusiastic about the idea.

The Commerce source said that since the conclusion of the Uruguay Round of world trade talks Japan has favoured an organisation to counter what it sees as Washington's increased bargaining power.

The ASEAN Secretariat was assigned last October to sound out whether other countries outside ASEAN would support the establishment of EAEC. But discussions with officials in China, Hong Kong, Taiwan and South Korea have revealed neither strong support nor outright rejection of the proposal. [passage omitted]

"EAEC is in the middle between ASEAN and APEC but it is still doubtful how members would benefit from EAEC as some already have a strong organisation in ASEAN, so why not expand ASEAN to cover other countries?" asked the Commerce source.

He said he thought that the visit of a Malaysian delegation led by International Trade and Industry Minister Dato' Seri Rafidah Aziz to Thailand and other ASEAN countries this week was meant to lobby for the establishment of EAEC. [passage omitted]

But he said there was no guarantee that EAEC would strengthen the region's bargaining power—that would depend on the direction APEC takes. If APEC evolves into a bona fide trade bloc, EAEC would become irrelevant since all its prospective members would prefer to cooperate under the APEC umbrella.

EAEC would have better prospects if it included non-APEC members such as the Indochinese countries, the source predicted.

Rice Sale Refused, Iran Told To Buy From Market

BK1801022594 Bangkok BANGKOK POST in English
18 Jan 94 p 30

[Excerpt] THE Government has refused to sell some 200,000 tons of 100 percent white rice to Iran and has

asked Iranian representatives to contract with the private sector instead, according to Commerce Minister Uthai Phinchaichon.

Mr Uthai made the comment yesterday after meeting with the chairman of Iran's Government Trading Cooperative, Mahmoud Ardakani.

Iran proposed to buy the rice on credit from the Thai Government with delivery scheduled for March but Mr Uthai said the authority to do that now rests with the Rice Policy Committee chaired by Deputy Prime Minister Amnuai Wirawan.

Mr Uthai said does not want to intervene in the private-sector rice market. He said the Government has not entirely ruled out government-to-government sales but he believes the private sector should have the first opportunity to make deals. [passage omitted]

Foreign Minister Prasong Receives Deng's Daughter

BK1801142394 Bangkok XING XIAN RIBAO in Chinese
18 Jan 94 p 8

[By correspondent Liu Zhenyan]

[Text] Deng Nan, daughter of the Chinese paramount leader and vice minister of the Chinese state Science and Technology Commission, said yesterday that China considers Thailand and other Southeast Asian countries an important area for developing scientific and technological cooperation.

Deng Nan, who is on a visit to Thailand, made the above remarks during a meeting with Thai Foreign Minister Prasong Sunsi. Prasong agreed with Deng Nan's views.

Deng Nan said that the Joint Chinese-Thai Scientific and Technological Commission has held 12 meetings since its establishment. Technological cooperation and exchange items carried out by the two countries have achieved remarkable success.

She said that China and Thailand have their own strong points in the field of science and technology. They should strengthen cooperation in this area. She hoped that the two countries will further strengthen their cooperation in the fields of high and new science and technology and in applied science and technology, which will be beneficial to the economic development of both countries.

"China carries out scientific and technological cooperation not only with developed countries, but also with developing countries," Deng Nan said.

During a recent meeting of senior ASEAN officials in Bangkok, they agreed that ASEAN will expand its scientific and technological cooperation with China this year.

Deng Nan is on a visit to ASEAN countries to strengthen scientific and technological exchanges with ASEAN.

Prasong said that Thailand and other ASEAN countries are willing to conduct further scientific and technological cooperation with China. Prasong also asked Deng Nan to convey his regards to Deng Xiaoping. He wished Deng Xiaoping good health and a long life. He also expressed his hope that China, under the guidance of Deng Xiaoping's blueprint, will achieve even greater success in national construction.

Deng Nan will call on Prime Minister Chuan Likphai today. Deng Pufang and Deng Lin, Deng Xiaoping's eldest son and eldest daughter, also visited Thailand late last year.

Chuan Says Weapons Barter 'Matter of Principle'

BK1801073794 Bangkok Army Television Channel 5 in Thai 1200 GMT 17 Jan 94

[Text] The prime minister said the cabinet decision requiring the Defense Ministry to buy weapons through barter deals involves only certain possible cases, and this is meant to benefit the national economy.

Prime Minister Chuan Likphai said that the policy on weapons purchases is just a matter of principle involving certain cases where it is possible for Thailand to negotiate with its trading partners to sell its products in exchange. The prime minister thinks that the Commerce Ministry should be allowed to take part in the negotiation since the Defense Ministry is not very good at it.

[Begin recording] [Chuan] The minister in charge of the deal, such as the defense minister when it concerns the Defense Ministry, would look after the matter.

[Unidentified reporter] Was the decision adopted by the cabinet motivated by the issue of commissions?

[Chuan] Not directly. It was not directly aimed at barring the business of brokers. It rather concerns the case of the Defense Ministry buying weapons from a country which, we think, can buy our products in exchange.

[Reporter] Did the Defense Ministry bring up possible problems which may arise?

[Chuan] The Defense Ministry often told us that it is not enthusiastic about trade.

[Reporter] Even though it could prevent the paying of commissions [words indistinct]?

[Chuan] I think that is a different matter. [end recording]

'Secret' Fund for National Security Council

BK1801015594 Bangkok BANGKOK POST in English 18 Jan 94 p 3

[Text] PRIME Minister Chuan Likphai has endorsed a National Security Council [NSC] request to transform 5.6 million baht worth of budget allocated for this year's spending into a secret fund.

Government sources said the Cabinet would be informed to acknowledge the change.

The NSC had told the Premier it wanted to use the money for secret operations because the projects to which the money had been originally allocated were no longer necessary or had been completed.

Of the money involved, 603,500 baht had been allocated for public relations work.

The other five million baht had been earmarked for solving southern banditry problems, the sources said.

Dailies Identify Chinese Associations Leadership

BK1801135994

[Editorial Report] Two Bangkok Chinese-language dailies—XING XIAN RIBAO and ZHONG HUA RIBAO—carry two reports and a congratulatory message identifying some prominent members of local Chinese associations from 31 December 1993 to 11 January 1994

Bangkok XING XIAN RIBAO on 31 December 1993, in a report on page 4, says former U.S. President George Bush received a group of U.S. businessmen from Hong Kong financial circles and some overseas Chinese businessmen during a recent stopover in Hong Kong. Yao Zongxia [1202 1350 0204], honorary chairman of the Tae Chiu Association of Thailand, honorary chairman of the Jie Shou Foundation, and president of the Tai Lian Machinery Company was on a business trip in Hong Kong. He had a chance to meet with the former U.S. president during a party. The report says that during the talks, Bush praised Thailand's rapid economic development.

Bangkok ZHONG HUA RIBAO on 10 January 1994, on page 12, publicizes a congratulatory message by the 23d Executive Committee of the Hainanese Association of Thailand. According to the message, some prominent figures of the executive committee are as follows: Ou Zongqing [2962 1350 3237]—[Bangkok Bureau records show he runs a real estate business], Ye Shizhong [0673 0013 1813], and Pan Yi [3382 3015] are advisors of the association's 23d executive committee; Zheng Youying [6774 2589 5391]—[Bangkok Bureau records list his Thai family name as Chirathiwat and he is the president of the Central Department Store group; his family also runs the Central Plaza Hotel Company, real estate, and other businesses]—is the chairman; Wu Duolu [0702 1122 4389]—[Bangkok Bureau records list his Thai name as Dilok Mahadamrongkun; his family is a major shareholder of the Saim City Bank and also is engaged in the watch business], Chen Xiubing [7115 0208 3521], and Chen Mingan [7115 2494 1344] are the vice chairmen.

Bangkok XING XIAN RIBAO on 11 January 1994, in a report on page 5, says that the Fujianese Association of Thailand held a special party for its members on 9

January, during which the 55th executive committee officially took office. According to the report, Huang Yonglin [7806 3057 2651] is the permanent honorary chairman of the association's 55th executive committee. Su Guoshi [5685 0948 0013]—[Bangkok Bureau records list his Thai family name as Sosothikun; his family runs the Seacon Company and shoe, monosodium glutamate manufacturing, and real estate businesses] is honorary chairman. Zhang Jianlu [1728 1696 4389] is the chairman. Cai Zhiwei [5591 1807 0251]—[Bangkok Bureau records show that he runs the Pacific Finance and Securities Company], Chen Deshu [7115 1795 2885], Zhang Hanjin [1728 5060 6930], Chen Shunde [7115 7311 2885], Wang Liuxi [3769 3177 3305], and Su Wenji [5685 2429 0644] are vice chairmen. Gao Wutong [7559 2745 2717] is the secretary.

Spokesman: Workers Still Rejected by Saudi Arabia

BK1301021794 Bangkok BANGKOK POST in English 13 Jan 94 p 3

[Text] Deputy Foreign Ministry Spokesman Rawi Hongpraphat yesterday rejected suggestions that Saudi Arabia had reopened its door to Thai workers.

Lt Rawi's comment followed a report from a government MP early last month that Saudi Arabia would offer 60,000 jobs to Thai workers.

At about the same time, Saudi Arabian Charge d'Affaires Mohamed Said Khoja said Thai workers were welcome to apply for visas to go to his country.

Riyadh has stopped issuing visas to Thai workers since relations soured some four years ago following the murder of three Saudi embassy staffers and a businessman in Bangkok as well as the theft of jewels from the Saudi royal palace.

According to Lt Rawi, no clear-cut policy on Thai workers has emerged from Riyadh, where two separate ministries—Home Affairs and Labour—deal with questions of visas and work permits.

Lt Rawi also noted that wages in Saudi Arabia had dropped significantly, with workers from India, Pakistan and the Philippines being paid only half the amount that Thai workers used to earn.

Spokesman: Relations With Saudi Arabia Improved

BK1701071494 Bangkok Radio Thailand Network in English 0000 GMT 17 Jan 94

[Text] Thailand and Saudi Arabia have been maintaining good understanding and cordial relations. Deputy Spokesman of the Ministry of Foreign Affairs Rawi Hongpraphat says the two countries have steadily improved their relations and mutual understanding and normal relations have been fully restored. Mr. Rawi says a football team from Saudi Arabia will come to compete

in Bangkok on 23 January at the invitation of a major commercial bank in Thailand. The match is meant to strengthen relations between Saudi Arabia and Thailand. Apart from football players, about 20 Saudi businessmen will come to meet their counterparts in Thailand. The football teams from Qatar, Bahrain, and Lebanon will also participate in the upcoming tournament in Thailand.

Vietnam

Senators Inouye, Stevens Conclude Visit

BK1301161094 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 13 Jan 94

[Text] On 10 and 11 January U.S. Senators Daniel Inouye and Ted Stevens, chairman and vice chairman respectively of the Defense Subcommittee of the Senate Appropriations Committee, paid a visit to Vietnam with four aides.

The delegation was received by Dang Quan Thuy, National Assembly vice chairman and chairman of the National Assembly Defense Committee. The delegation also met Deputy Foreign Minister Le Mai, Deputy Trade Minister Ta Ca, and Nguyen Nhac, deputy minister chairman of the Cooperation and Investment State Commission. During the meetings, Senators Inouye and Stevens affirmed that it was time to close the sorrowful page of the past in U.S.-Vietnamese relations in order to build a better future for the two peoples. They also said that the long-term relationship between the two countries should be based on mutual understanding, respect, and benefits.

The senators also wished that U.S. businessmen would soon have opportunity to do business in Vietnam. The delegation also expressed concern about the fate of American servicemen missing in the war, and thanked the Vietnamese Government and people for their positive cooperation in this issue, thus contributing to reducing the agony of the American families who have relatives missing in the war. The delegation promised to report this situation to the U.S. Senate.

The delegation left for home on the afternoon of 11 January.

Le Mai Comments on Human Rights Dialogue

BK1301144994 Hanoi VNA in English 1445 GMT 13 Jan 94

[Text] Hanoi VNA Jan 13—Dialogue between nations on common issues of the world has the effect of narrowing down disagreement while promoting mutual understanding, said Deputy Foreign Minister Le Mai on Thursday.

This trend is growing in present-day international relations, he said in an interview granted to VIETNAM NEWS AGENCY.

Le Mai said each nation has the responsibility of guaranteeing human rights within its territorial boundaries. He also acknowledged that human rights were the concern of the world community as a whole.

He said Vietnam agreed to talk with other countries on human rights because it wanted those countries to understand that the people of Vietnam had given so much for man's sacred fundamental rights on this land, and were making tremendous efforts in all fields—political, economic, cultural and social—to ensure human rights in their country.

"We will talk with other countries", Le Mai said, "so that a correct understanding can be had on the fundamental principles of an international law on human rights, namely respect for national independence and national sovereignty, respect for the right of nations to self-determination, particularly the right for each to choose its own path of development, respect for national, community of individual rights, respect for political, civil, economic and social right of the citizen and respect for the right of nations for development which is now a topical problem of the world". [sentence as received]

Le Mai dismissed recent press reports about dialogue on "certain aspects of human rights in Vietnam". "Vietnam and other countries have agreed that their exchanges of views will be conducted on the basis of equality, mutual respect and non-interference", he stressed.

Le Mai said he believed the talks would be positive and constructive. "If our interlocutors can say concretely where and how our law does not conform strictly to international law we will [words indistinct] seriously and refer them to Vietnamese competent bodies for consideration".

"At the same time we will try to make other countries share our views that man's most fundamental rights are national self-determination and development, which must be strictly respected," Le Mai added.

He said he hoped the world community, through dialogue, would gradually establish mutual respect and [words indistinct] and equal, mutually beneficial cooperation on human rights.

"Human rights should not be used as a tool for one country to impose on, or interfere in, another country", Le Mai concluded.

Embassy in Cambodia Protests Kidnapping

*BK1301150394 Hanoi VNA in English 1456 GMT
13 Jan 94*

[Text] Hanoi VNA Jan. 13—The Vietnamese Embassy in Cambodia on Jan. 11 strongly condemned the Khmer Rouge for kidnapping two Vietnamese residents when they were fishing in Kompong Chhnang Province of Cambodia on Dec. 29, 1993.

In a note lodged to the Ministry for Foreign Affairs and International Cooperation of the Royal Cambodian Government, the Vietnamese Embassy quoted a source from the Overseas Vietnamese Association in Kompong Chhnang as saying that on Dec. 29, 1993 Khmer Rouge troops kidnapped Mrs Le Thi Hung, 45, and her brother Mr Le Van Sen, 33, while they were fishing on a river near the town of Kompong Chhnang.

The note strongly condemned that criminal act taken by the Khmer Rouge against the Vietnamese residents in Cambodia, and requested the Cambodian Government to immediately take drastic measures in order to bring the criminals to trial and stop such actions of the Khmer Rouge to ensure the lives, property and normal life for all Vietnamese residents in Cambodia.

Doan Khue Views Armored Force Readiness

*BK1301093994 Hanoi Voice of Vietnam Network in
Vietnamese 1400 GMT 12 Jan 94*

[Text] In Ho Chi Minh City recently, the Tank and Armored Force [TAF] Command held a seminar on its building and training tasks during the past period. General Doan Khue, member of the party Central Committee Political Bureau and minister of National Defense attended the seminar.

The TAF commander delivered a report on the activities of the force during the past few years. He pointed to its great efforts in improving its organization and personnel to meet the requirements of localities, military regions, and key strategic areas.

Despite numerous difficulties in equipment, budget, and facilities, the TAF has closely coordinated with the army corps, military regions, and localities to build and strengthen its units, improve training, and maintain combat readiness. The force has also striven to recruit and train new cadres, specialized personnel, and workers. Various units of the force have consistently improved training and fulfilled all their assigned tasks. They have closely combined the task of building firm and comprehensively strong units with that of modernizing and standardizing the army.

The seminar provided ample time for delegates of the army corps, military regions, and military units to discuss and exchange experiences on training and maintaining the spirit of combat readiness, military and joint operations, and other tasks related to national defense.

Speaking at the seminar, the minister stressed: In building and training, the TAF should implement the motto: firmly maintain basic principles and effectively apply past combat experiences. Cadres of the force must carefully study the enemy's capabilities while formulating concrete plans and projects to enhance the quality of training at various units. They must also strive to fulfill their tasks in order to attain standardization, build comprehensively strong units, set up firm and strong

defense zones, and step by step advance toward modernizing the army. These are essential tasks for making the TAF units strong and firm so that they can fulfill new tasks and meet the requirements under all circumstances for the cause of national defense and construction.

Larson Arrives for Talks on MIA Issue

*BK1701071394 Hanoi VNA in English 0637 GMT
17 Jan 94*

[Text] Hanoi VNA Jan. 17—Admiral Charles R. Larson, commander-in-chief of US Pacific Command, arrived here on Sunday for a three-day visit to Vietnam. He is the most senior US active-duty officer to visit since the end of the Vietnam War in 1975.

Larson's visit is aimed at getting more first-hand information about Vietnam and about the MIA issue.

Yesterday afternoon, Admiral Larson and his entourage were received by Vietnamese Deputy Minister of Defence Nguyen Thoi Bung who reaffirmed that Vietnam regarded the MIA issue as a humanitarian one. 'No matter how', said Deputy Minister Bung, 'the relations between the United States and Vietnam are developing, Vietnam would always actively cooperate with the US in the MIA issue'.

Meets Le Duc Anh, Departs Hanoi

*BK1701143594 Hanoi VNA in English 1429 GMT
17 Jan 94*

[Text] Hanoi VNA Jan. 17—Visiting Admiral Charles R. Larson, commander-in-chief of US Pacific Command, paid a courtesy visit to President Le Duc Anh at the Presidential Palace today. The US admiral informed the Vietnamese leader of the results of his exchanges of views and working sessions with the Vietnamese side on the solving of the MIA issue. He expressed his sincere thanks to the government and people of Vietnam for their effective cooperation with the US army men and officials who were engaged in searching for US servicemen missing in action during the Vietnam War. He also expressed his wish that in the coming time, with the efforts and cooperation of both sides, further progress would be made in that field, so that the two countries could soon open a new chapter in their relations.

Speaking to his guest, President Le Duc Anh appreciated Admiral Larson's goodwill, and he said he believed that being responsible for the MIA issue to the president and the defence minister of the US, Mr Larson would have first hand information on the solving of the MIA issue in Vietnam and country's efforts in this field while it still met with many difficulties due to the heavy aftermaths of the war. President Le Duc Anh affirmed that starting from the humanitarian tradition, the state and people of Vietnam were cooperating with the US side in the settlement of the MIA issue, and were ready to close the past and look to the future in their relations with the US

for the benefits of the two countries and for peace, stability, and development in the region and on the world over as a whole.

Earlier, Admiral Larson was received by Foreign Minister Nguyen Manh Cam and Deputy Defence Minister Nguyen Thoi Bung. He had talks with Deputy Foreign Minister Le Mai on matters of common concern.

The US admiral left Hanoi this afternoon to visit an excavation site in central Vietnam before concluding his Vietnam visit.

Holds News Conference

*BK1801163794 Hanoi Voice of Vietnam Network in
Vietnamese 1430 GMT 18 Jan 94*

[Report on a news conference by U.S. Admiral Charles Larson with foreign and domestic correspondents in Hanoi on 17 January]

[Text] Dear friends: Admiral Charles Larson, commander of U.S. forces in the Asia-Pacific region, paid a visit to Vietnam from 16 January with the aim of seeking more knowledge and accelerating the cooperation between the U.S. and Vietnam in solving the Americans missing in action [MIA] during the Vietnam War.

Admiral Larson held an international news conference in Hanoi after his meetings with Vietnamese leaders. The following is the report from a Vietnamese radio correspondent on the contents of the news conference:

[Begin recording] [Correspondent] A committee to investigate MIA cases during the Vietnam War was formed in January 1992 and an office in Hanoi was opened. The committee has been in operation for two years. In the past two years, this committee of five American soldiers—including Naval, Marine, and Air Force personnel—conducted 26 joint searches with the Vietnamese side to seek information about American soldiers dying and missing during the war.

From 6-28 March this year, the committee will form four search teams and four recovery teams with 84 people to conduct the 27th joint search—the biggest search ever. Admiral Charles Larson, commander of U.S. forces in the Asia-Pacific region, paid a visit to Vietnam on 16 January in view of the importance of this search. He directly met with Vietnamese leaders to deal with the settlement of the MIA issue. He also directly met with American and Vietnamese, who have taken part in the searches and directly inspected the search sites. He was the highest U.S. military official to visit Vietnam since the end of the Vietnam War.

After two days, Admiral Larson held an international news conference on 17 January in Hanoi to disclose the results of his Vietnam visit and offer his opinions on the search activities in Vietnam. Speaking to correspondents, he said:

[Larson, in English fading into Vietnamese translation] We have conducted 846 searches and 59 excavations in Vietnam since the formation of our special force in January 1982. And we have learned many things. I am pleased to say that our country sent 5,600 notices to MIA families over the last year in a program that provides information to MIA families. I am also pleased at the efforts of the five people working on the sites. This requires good leadership, planning, and great effort. I can promise that I will try my best to achieve the possible in the search for missing people. I come here to witness the cooperation and effort from both sides. I met high-ranking Vietnamese leaders, specialists, and archivists.

[Correspondent] In response to a Chinese reporter's question about his assessment of the Vietnamese cooperation in this aspect, Mr. Larson said:

[Larson, in English fading into Vietnamese translation] I would say two things: First, we have found ever-increasing cooperation over the past two years since the task force began its work here. Second, if this cooperation was not good, I would not be here and would not appear in this uniform to see those people whom I have met. My assessment is that there has been very good cooperation.

[Correspondent] Answering a question about the U.S. plan to search for servicemen missing in action, Mr. Larson said:

[Larson, in English fading into Vietnamese translation] It needs to take into account all issues. We will do all we can, ranging from the evaluation of information on American servicemen, who are reported to be alive, to disinformation and other efforts. So far, throughout various searches and all the things we have done, we do not find any evidence indicating that there are American servicemen alive in Vietnam and Southeast Asia. However, we cannot and will not rule out that possibility until we have checked all the information available.

[Correspondent] A Radio Voice of Vietnam correspondent asked: Do you have any idea about the assistance the U.S. Government will give to Vietnam in resolving its humanitarian issues?

Mr. Larson said: [Larson, in English fading into Vietnamese translation] I think that the humanitarian issue exists and that just like us, they view the humanitarian issue as a very delicate matter. I think that our two countries have realized this is an issue and the two sides are cooperating to resolve it. I am very pleased to see that my government has realized this and it knows how to undertake it. During his visit to Vietnam in December 1993, Assistant U.S. Secretary of State Winston Lord took with him a large dossier which I had the opportunity to read this morning at the joint archive center. We hope that this dossier will be useful in providing some information to those families with missing relatives. We will try to do what we can to help Vietnamese families concerned and we hope that we will receive reciprocal assistance from the Vietnamese people. [end recording]

Commentary on U.S. Relations, 'Outdated' Attitude

BK1701135694 Hanoi Voice of Vietnam in English
1000 GMT 17 Jan 94

[Station commentary]

[Text] Relations between Vietnam and the United States of America are witnessing diversified activities that make many international observers question whether the two countries are entering a new stage. Here is our radio review of U.S.-Vietnam relations:

Many reports about the visits to Vietnam by six American delegations have emanated from Hanoi this month. The first visit was by Washington senators [word indistinct] the most senior U.S. active-duty office to visit Vietnam, Admiral Charles Larson, commander-in-chief of the U.S. Pacific Command. Meanwhile, the latest search for the remains of American servicemen missing in action is now underway in 15 provinces and cities throughout Vietnam. And American politicians continue to voice positive remarks about Vietnam.

U.S. Secretary of State Warren Christopher recently said: Considerable information on the MIA issue has been achieved. This was due, he said, to positive cooperation and goodwill from Vietnam.

Senator John Kerry, a leading player in the search for American soldiers missing in action said last week: Vietnamese Government and people have done their best in cooperating with the U.S. to settle the issue. Pending issues were created by the U.S., not Vietnam. He further noted that the U.S. should continue the internal struggle to dismantle obstacles that hinder the normalization of relations between the two countries.

A significant number of American politicians and people now want to lift the embargo against Vietnam and to normalize relations with Vietnam.

In a recent Gallup poll held in the USA last year, among over 1,000 questioned people, 58 percent supported normalization with Vietnam. And the NEW YORK TIMES commented that the most legal reason to lift the sanctions was that it was no more in conformity with the interests of the U.S. itself. While the whole world was now having free-trade ties with Hanoi, the embargo punishes American businessmen. It would be much better if the U.S. lifts the embargo. Nevertheless, if the U.S. still keeps its outdated attitude, Vietnam will continue to develop its cooperative relations with other countries. Now the ball [is] in the American court. The question is whether the U.S. is breaking up [words indistinct] proposals raised by American politicians, people, and businessmen.

Hanoi Reports Vo Van Kiet-Kerry Meeting

BK1501170294 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 15 Jan 94

[Text] On the afternoon of 15 January, Prime Minister Vo Van Kiet received at the government office Senator Kerry, member of the U.S. Senate Foreign Relations Committee, who came for a courtesy call.

Also present were Deputy Foreign Minister Le Mai and a representative of the Government Office.

Senator Kerry briefed the prime minister on the purposes of his visit to Vietnam, and greatly appreciated the results of his meetings and the meetings of other U.S. delegations with senior officials of the Vietnamese Ministry of Foreign Affairs and some offices concerned. He viewed these meetings as discussions of important significance aimed at contributing to strengthening the mutual understanding and promoting the normalization of the U.S.- Vietnamese relations.

The senator noted that on the MIA issue, the two countries had engaged in a process of perfect cooperation, and that cooperation is developing its effect. The government and people of Vietnam, he also noted, have tried their best to cooperate with the U.S. side in the search for American missing in action [MIA] as well as in the supply of information on the American MIAs in Vietnam. The issue now is not in the Vietnamese court but rather on the American side.

His excellency the senator said: Enduring untold suffering in the past, the Vietnamese people are now cooperating with the U.S. side. They have, however, not been compensated appropriately for what they have done. The U.S. side will continue to struggle within its own ranks to overcome the obstacle—the MIA issue—in the normalization of U.S.-Vietnamese relations, trying to achieve rapid progress in the U.S.-Vietnamese relations.

Prime Minister Vo Van Kiet hailed Senator Kerry and other Americans of goodwill for having expressed their views and working actively to support the normalization of U.S.-Vietnamese relations for the sake of peace, stability, and development in Southeast Asia as well for their cooperation in the MIA issue, thus helping press ahead with gradually-improving U.S.-Vietnamese relations.

The prime minister affirmed: It is Vietnam's consistent policy on the MIA issue to do its utmost for humanitarian purposes. Satisfactory resolution of the MIA issue will create mutual understanding and mutual trust with which to resolve other issues related to the interests of the two nations.

The prime minister said: Although each country has its own difficulties and advantages, while resolving their domestic difficulties, the two countries should strive to avoid creating impact on each other. Vietnam has been and is doing that, and hopes that the U.S. side will do

likewise in order to contribute to creating favorable conditions for the process of normalizing U.S.-Vietnamese relations

The prime minister asked his excellency the senator to convey to the U.S. President Vietnam's view that it was time for the two countries to make a new decision on bilateral relations, and the earlier that Vietnam-U.S. relations are normalized, the more favorable will be the conditions created for the development of cooperative relations in various fields in conformity with the interests of both countries.

The prime minister also asked his excellency the senator to convey his New Year greetings to the U.S. people.

Also, on the afternoon of 14 January, Chairman of the National Assembly Nong Duc Manh received Senator Kerry at his office.

Senator Kerry expressed his pleasure over the meeting with the National Assembly chairman and considered that event very important, ushering in opportunities for cooperation between the Vietnamese National Assembly and the U.S. Congress. He also thanked Chairman Nong Duc Manh and the Vietnamese authorities for their hospitality to him and his party, and said that his Vietnam visits had left him with fine impressions of the land and people of Vietnam.

Chairman Nong Duc Manh expressed his hope that the results of the visit would contribute to strengthening the mutual understanding between the two legislatures and the two peoples. Prompted by the humanitarian spirit and profound sympathies toward the families of Americans missing in action, the Vietnamese National Assembly and people would continue their cooperation with the U.S. side for the settlement of the MIA issue.

The U.S. delegation also had working sessions with Foreign Minister Nguyen Manh Cam and representatives of the Vietnam MIA Office.

On the afternoon of 15 January, the delegation left Hanoi for Ho Chi Minh City and Danang prior to its departure for home.

Discusses POW/MIA Issue With Le Mai

BK1501113594 Hanoi Voice of Vietnam in English 1000 GMT 15 Jan 94

[Text] U.S. Senator John Kerry and his delegation arrived in Hanoi on Friday for a visit to Vietnam.

Working sessions were held immediately with Vietnamese Government officials. Speaking at a meeting with Deputy Foreign Minister Le Mai, Senator Kerry praised Vietnam's cooperation on the MIA/POW issue.

On Saturday, before leaving for central Vietnam, Senator Kerry held a press conference. He said Americans needed to know if Vietnam would continue to cooperate in very technical way. He said that his delegation would

tell the American people the great efforts on the way here in cooperation with the U.S. in resolving the MIA/POW issue. [sentence as heard]

Meets With Vo Van Kiet, Nong Duc Manh

*BK1501155994 Hanoi VNA in English 1428 GMT
15 Jan 94*

[Text] Hanoi VNA Jan. 15—Prime Minister Vo Van Kiet received here this afternoon Senator J. Kerry, member of the External Relations Committee of the Senate of the United States [title as received], who is here for a visit to Vietnam.

Also present at the reception was Deputy Foreign Minister Le Mai.

During the reception, Senator Kerry highly appreciated the results of meetings between U.S. delegations and Vietnamese senior officials of the Ministry for Foreign Affairs and some offices concerned. He said these meetings were of important significance aimed at contributing to strengthening the mutual understanding and promoting the normalization of the Vietnam-U.S. relations. He noted that on the MIA issue the two countries had engaged in a process of complete cooperation, and that cooperation had brought about good results. The Vietnamese Government and people, he also noted, have tried their best to cooperate with the U.S. in the search of American servicemen missing in action in the Vietnam war as well as in the supply of information on the MIA issue.

For his part, Prime Minister Vo Van Kiet appreciated the positive support of Senator Kerry and many other Americans of good-will for the normalization of the Vietnam-U.S. relations for the sake of peace, stability and development in Southeast Asia, as well as their cooperation in the MIA issue, which, he said, will contribute to the promotion of their bilateral relations. The Vietnamese leader reaffirmed that Vietnam's consistent policy on the MIA issue was to do its best for the humanitarian purpose. He held that should the MIA issue be settled well, it would create mutual understanding and trust for the settlement of other issues relating to the interests of the two countries.

P.M. Vo Van Kiet asked Mr. Kerry to convey to the U.S. President Vietnam's viewpoint that it was time for the two countries to have a new decision on bilateral relations, and the earlier the Vietnam-U.S. relations are normalized the more favourable conditions would be created for the development of the cooperative relations in various fields in conformity with the interests of the two countries.

The Vietnamese prime minister also asked the U.S. senator to convey his new year greetings to the U.S. people. Yesterday, Chairman of the National Assembly Nong Duc Manh also received Senator Kerry.

Mr Kerry expressed his pleasure over the meeting with the NA chairman and considered that event very important, ushering in opportunities for cooperation between the Vietnamese National Assembly and the U.S. Congress. He thanked Chairman Nong Duc Manh and the Vietnamese authorities for their hospitality for him and his party, and said that his Vietnam visits had left him fine impressions on the land and people of Vietnam.

Speaking to his guests, Chairman Nong Duc Manh expressed his hope that the results of the visit would contribute to strengthening the mutual understanding between the two legislatures and the people of Vietnam and the U.S. Prompted by the humanitarian spirit and profound sympathies towards families of Americans missing in action in the Vietnam war, the Vietnamese National Assembly and people would in their capacity continue their cooperation with the U.S. side in the settlement of the MIA issue.

The U.S. guests had working sessions with Foreign Minister Nguyen Manh Cam and representatives of the Vietnam MIA office.

To continue his Vietnam visit Senator Kerry left here this afternoon for Ho Chi Minh City and Da Nang City.

U.S. Senators Stevens, Inouye Visit

*BK1401073594 Hanoi VNA in English 0717 GMT
14 Jan 94*

[Text] Hanoi VNA Jan. 14—Senator Daniel Inouye and Senator Theodore Stevens, chairman and vice chairman of the Subcommittee on Defense of the Senate's Appropriation Committee of the United States, paid a visit to Vietnam in Jan. 10-11.

While in the country, the US senators were received by Vice Chairman of the National Assembly and head of its Committee for Security and Defence Dang Quan Thuy. They had a working session with Deputy Foreign Minister Le Mai, and met with Deputy Minister of Trade Ta Ca and Vice Chairman of the State Committee for Cooperation and Investment Nguyen Nhac.

During those meetings, Senators Inouye and Stevens affirmed that it was time to close the unhappy past of the US-Vietnam relations to build a fine future for the people of both countries. The long relations between the two countries must base on mutual understanding, respect and benefit, the senators said. They expressed their wish that the US businessmen would have business opportunities in Vietnam. They also voiced the concern of the US congress and people about the fate of the American servicemen missing in action (MIA) during the war, and thanked the government and people of Vietnam for their active cooperation in solving the problem, thus contributing to easing the suffering of the MIA families.

U.S. House Staff Delegation Concludes Visit

*BK1501160794 Hanoi VNA in English 1431 GMT
15 Jan 94*

[Text] Hanoi VNA Jan. 15—A delegation of the Asia-Pacific Subcommittee of the Foreign Affairs Committee of the U.S. House of Representatives led by Mr. Russell Wilson, head of the office of the sub-committee, [title as received] today concluded a four-day visit to Vietnam.

While here, the delegation had working sessions with the Ministry for Foreign Affairs, the Institute of Military History of the Ministry of Defence, representatives of the National Assembly office, the Central Institute for Economic Management.

During those meetings, the U.S. House Representatives time and again noted that it was time for the normalization of relations between the United States and Vietnam in order to contribute to Vietnam's development through the investment and trade exchanges. [sentence as received] They also expressed the concern of the U.S. Congress and people on the MIA issue, and thanked the Vietnamese Government and people for their active cooperation to solve that humanitarian issue.

Phan Van Khai, General Giap See American Group

*BK1501112794 Hanoi VNA in English 0645 GMT
15 Jan 94*

[Text] Hanoi VNA Jan. 15—A delegation of 31 representatives from major companies of the United States namely Aldrich, Eastman, Walch (AEW), GM, AT&T, Kodak, and Harvard University has paid a week-long visit to Vietnam on the initiative of the research group. While in Vietnam, the delegation was received by Vice Prime Minister Phan Van Khai and General Vo Nguyen Giap. It also met with Deputy Foreign Minister Le Mai, deputy head of the State Planning Commission Vo Hong Phuc, Deputy Finance Minister Pham Van Trong, deputy head of the State Committee for Cooperation and Investment Nguyen Mai and many other leading officials of concern offices.

Mr. Peter C. Aldrich, head of the delegation, expressed the U.S. businesses' attention to the orientation of Vietnam's renovation process, the role of the state economic sectors in the market-oriented economy and investment prospects, the foreign policy and the Vietnam-U.S. relations, etc.

They also called at some economic establishments and met with businessmen of the U.S. and other countries in Vietnam.

'Sources': Central Committee in Extraordinary Session

*BK1701111694 Hong Kong AFP in English 1102 GMT
17 Jan 94*

[Text] Hanoi, Jan 17 (AFP)—The Vietnamese Communist Party's Central Committee began a 48-hour extraordinary session Monday to prepare for the party's national conference which opens Thursday, well-informed Vietnamese sources said.

During the meeting, the party's highest authorities are expected to discuss Secretary General Do Muoi's political report and Central Committee personnel changes, the sources said.

Both issues were discussed at the sixth Central Committee plenum last November and taken up again at the National Assembly's second annual session in December in Hanoi.

According to an official Vietnamese source, 15 of the 145 Central Committee members will be replaced during the conference, the first time one has been held between two Congresses.

Politburo personalities and government officials might also be replaced, the informed sources said. In addition to the replacement of political personnel, the task of this "mini-Congress" is to make a political point of "doi moi" or renovation, promised since 1987, by discussing the rhythm of economic reforms and defining the direction to take until the eighth Congress in 1996.

The 649 delegates who will attend the six-day party conference include Central Committee members and representatives of the army, the provinces, Hanoi, Ho Chi Minh City and organizations such as the Homeland Front, the Women's Union and labor unions.

Observers say it is unlikely that the regime will slow the pace of economic reforms. However, some leaders have called for a slowdown, even a pause, in the economic liberalization process out of fear that opening the economy to the outside world could lead to social unrest and political destabilization.

On Monday, the army's daily newspaper *QUAN DOI NHAN DAN*, considered close to conservative circles, called for "maintaining and consolidating political stability" while reaffirming "the choice of economic reforms along socialist lines."

"The painful lessons of the Soviet bloc have shown that social turmoil would lead to a political crisis," the newspaper said after launching a new warning against "hostile forces" that seek to "overthrow the socialist regime, sabotage the modernization work and destroy the party's leading role."

"Political modernization is a very sensitive question that must be conducted in a progressive and wise manner,"

the newspaper said, adding that "it is not absolutely necessary to sacrifice political interests to benefit economic development."

"We are determined to maintain the party's leading role, and we will accept neither pluralism nor multi-partyism, the newspaper stressed, saying that "revolutionary gains can only be defended by political stability."

Former party members, close to dissident intellectuals, have recently criticized the single-party system and called for a change in the Communist Party's leadership.

Conference Slated 20-25 Jan

BK180115794 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Jan 94

[Text] The Communist Party of Vietnam [CPV] Central Committee's Ideology and Culture Department recently held a news conference to announce the mid-term party conference.

The Seventh CPV Central Committee decided to hold the mid-term national party conference according to Article 15 of the party statutes. Empowered by the party Central Committee, the Political Bureau decided that the mid-term national party conference will open in Hanoi on 20 January 1994 and will meet until 25 January 1994.

The mid-term national party conference will review the implementation of the Seventh Party Congress resolution, sum up the actual results of the renovation process obtained since the Sixth Party Congress, and define major policies and measures aimed at successfully implementing the Seventh Party Congress resolution.

The conference will hold a by-election to choose a number of members for the party Central Committee as stipulated in Article 13 of the party statutes.

The mid-term national party conference will be attended by 649 delegates, three advisers to the CPV Central Committee, and 10 former Political Bureau members.

The Political Bureau affirms that the mid-term national party conference will be a major party conference and an important event in the political life of our party and people and that it, however, is not a party congress. The conference will be organized in a solemn fashion, but it should bear the character of an internal meeting. Its activities should be carried out in a practical, effective, and thrifty manner without any showy displays and ceremonies.

Do Muoi Receives Singapore Firm Official

BK1401150194 Hanoi VNA in English 1448 GMT 14 Jan 94

[Text] Hanoi VNA Jan. 14—Do Muoi, general secretary of the Communist Party of Vietnam Central Committee received here today Loh Wing Siew, executive director of Keppel Group of Singapore who is on a visit to Vietnam. Mr. Loh Wing Siew said that his current visit to Vietnam

was aimed at inquiring into and exchanging views with Vietnam's concerned branches on Keppel's possibilities of cooperation and investment in Vietnam. He highly valued Vietnam's economic achievements and development potentials, and held that the two countries had a lot of favourable factors for expanding cooperation in economic fields. For his part, General Secretary Do Muoi wished for high effectiveness of Keppel's investment in Vietnam. He expressed his belief that the cooperation between the Vietnam and Singapore would be further developed in the interests of the two peoples and the whole region.

Bui Thien Ngo Addresses Border Corps Conference

BK1801153194 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 18 Jan 94

[Text] The Border Defense Corps Command recently held a conference in Hanoi to review its five-year (1989-94) emulation movement to maintain national security.

Over 250 delegates, who are either heroes or outstanding combatants and who represented various hero units and those units with good achievements from various areas throughout the country, were in attendance.

Despite the complex situation, the border defense force has maintained its steady and constant effort to improve its political and ideological qualities, and also consolidate and strengthen the border outposts system over the past five years. This was done to safeguard our national sovereignty and border security.

Thanks to its efforts to develop various integrated border defense measures, the border defense force has investigated more than 1,100 cases of violations of national security involving nearly 1,600 people over the past five years. Various border defense units have made arrests involving more than 800 major cases of smuggling and forwarded these cases to responsible organs for legal action. It has launched crackdowns on many purse-snatching gangs, participated in correctional education for thousands of law breakers, and cooperated with local people in maintaining border security and carrying out border patrols.

Comrade Bui Thien Ngo, minister of interior, addressed the conference and hailed the achievements and the many great contributions made by the Border Defense Corps over the years to maintaining our security and sovereignty at various border areas.

The comrade urged the cadres and combatants of the Border Defense Corps to overcome training difficulties, maintain and improve their militancy, remain always vigilant against new enemy schemes, remain united to build and consolidate their force so it will become increasingly stronger; and hold their arms firmly to defend various border areas of the fatherland.

Comrade Bui Thien Ngo availed himself of the opportunity to present a number of Meritorious Service Medals and many Certificates of Commendation to

many units and individuals with achievements in the maintenance of national security.

Vo Van Kiet Receives French Minister

*BK1701150394 Hanoi VNA in English 1452 GMT
17 Jan 94*

[Text] Hanoi VNA Jan. 17—Prime Minister Vo Van Kiet received here this afternoon Mr. Gerard Longuet, minister of industry, post-telecommunication and trade, who is leading an economic-trade delegation of France to Vietnam.

Present at the reception were Minister of Trade Le Van Triet and French Ambassador to Vietnam J.F. Nougarede.

Minister Longuet reaffirmed the French Government's interest in developing its cooperation with Vietnam, not only in the economic and trade field but also in the fields of science, technology, healthcare, personnel training, and so on. Mr. Longuet said that concerning trade between the two countries, France had got export surplus, that was why to keep the import-export balance, it was necessary to encourage French businessmen to further invest in Vietnam so that many products could be made and exported to France and other countries in the Asia-Pacific region. The minister affirmed that Vietnam could enjoy France's support to develop its cooperation with EC countries, France will invest in and transfer technology to Vietnam with a view to helping it turn out programme on infrastructure construction in Vietnam, the French minister said. For his part, Prime Minister Vo Van Kiet expressed his satisfaction at the new steps of development in the two countries' friendly and cooperative relations following the visit to Vietnam of the French president early last year. The prime minister said that both countries have basis and advantages to bring their cooperation for mutual benefit to a new stage. He also expressed his wish that after Mr. Longuet's visit the friendship and cooperation between the two countries would be developed in all fields and with higher effectiveness, especially in the economic-trade and investment fields.

French Telecommunications Projects Inaugurated

*BK1701112794 Hanoi Voice of Vietnam Network in
Vietnamese 1100 GMT 15 Jan 94*

[Excerpt] This morning in Hanoi, the Post and Telegraph General Department held an inauguration function for the projects that will be carried out in cooperating with a French telecommunication corporation. These projects include Alcatel 1000-M10 digital electronic telephone exchanges for Hue, Danang, Vung Tau, Ho Chi Minh City, and Can Tho; a training telephone exchange based at the Post and Telegraph Training Center; a GSM mobile telecommunication system for Hanoi; and (?switching) centers for Hanoi, Danang, and Ho Chi Minh City. [passage omitted]

Generals Attend Lao People's Army Day Meeting

*BK1801150394 Hanoi VNA in English 1435 GMT
18 Jan 94*

[Text] Hanoi VNA Jan. 18—A meeting was held here today to mark the 45th founding anniversary of the Lao People's Army (LPA) (Jan. 20).

Among those present at the meeting were Lieut. Gen. [Lieutenant General] Nguyen Thoi Bung, vice minister of national defence, Lieut. Gen. Le Hai, deputy head of the General Political Department of the Vietnam People's Army (VPA), Lieut. Gen. Chu Duy Kinh, commander of the capital garrison of the VPA, Lao Ambassador to Vietnam Khamphet Phengmeuang and Colonel Sumvang Vongkhamsao, Lao military attache.

Addressing the meeting Lieut. Gen. Chu Duy Kinh hailed the great achievements recorded by the LPA over the past 45 years under the leadership of the Lao People's Revolutionary Party in national defence and construction. He noted that as a close friend to the LPA, combatants and officers of the Vietnam People's Army were glad at the LPA's glorious victories. He also expressed his wish for the further consolidation and development of the special solidarity and comprehensive cooperation between the two nations and armies.

For his part, Col. Somvang Vongkhamsao expressed his thanks to the Vietnamese Army and people for their fine sentiment and support to the Lao army and people.

Doan Khue Visits HCMC Military Facilities

*BK1701123994 Hanoi Vietnam Television Network in
Vietnamese 1215 GMT 15 Jan 94*

[Text] Senior General Doan Khue, minister of national defense, recently visited a number of units stationed in Ho Chi Minh City (HCMC), such as the Ba Son enterprise and a computer center under the Institute of Military Technologies. He also visited Infantry Officers School No. 2—where he inspected academic and scholastic activities—and the X-51 Naval Machineworks.

The senior general was accompanied by Vice Admiral Mai Xuan Vinh of the Naval Command and other comrades representing various offices in the Ministry of National Defense.

The comrade director of the X-51 Machineworks briefed the comrade senior general on the growth of his machineworks. He said that the naval ship-repair and ship-building plant, which serves as a main technical maintenance base for ships from the Spratly archipelago and the DK-1 special zone in the southern part of the country, has achieved rapid growth over the past 18 years. Having started by building wooden boats, metal landing craft, and river and sea-going ships between 200 and 350 deadweight tons [dwt], the machineworks can now build 500-dwt ships capable of operating for many days at sea.

Senior General Doan Khue was shown around. He visited a naval cargo ship built by the X-51 machineworks, a pier, and various workshops of the machineworks. He hailed the cadres and workers of the machineworks for trying hard to overcome difficulties and ensure the satisfactory implementation of national defense tasks. In 1994, he said, the Ministry of National Defense will provide the machineworks with financial assistance so it can buy modern equipment and achieve further growth to serve the army and national defense.

Australia**Minister Announces Aid Package for Ethiopia***BK1801072794 Melbourne Radio Australia in English
0500 GMT 18 Jan 94*

[Text] Australia has announced a new aid package to Ethiopia, coinciding with the visit to the African country by Foreign Minister Gareth Evans. The package totals Australian \$6 million and will go toward refugee and relief activities to help rebuilding the country after three decades of civil war and drought.

Announcing the package in Australia, development assistance minister, Gordon Bilney, described Ethiopia as one of the world's poorest countries. In a statement, Mr. Bilney said that while the Ethiopian Government had set medium-term goals of rehabilitation and development, there were immediate needs for food and health and farm assistance.

Australia's overseas aid agency, AIDAB [Australian International Development Assistance Bureau] will spend most of the new aid on buying and distributing Australian wheat through the world food program. The remainder of the money will be spent on an immunization program and construction of sustainable rural water supply systems in the Tigre region to help prevent health problems associated with poor water supplies.

Foreign Minister Evans is set to hold talks in Ethiopia with government ministers and senior officials.

Dec Joblessness Drops to 10.7 Percent*BK1301025294 Melbourne Radio Australia in English
0130 GMT 13 Jan 94*

[Text] Australia's monthly unemployment rate has fallen to its lowest level in six months, coming in at 10.7 percent in December. Linda Mottram reports from Canberra that the number of people finding work has also gone up despite a fall in the number of people officially looking for work.

[Begin Mottram recording] The December figures just released by the Australian Bureau of Statistics show unemployment fell by 31,000. That means around 937,500 Australians were officially out of work in the month.

Most Australian states mirrored the downward trend in unemployment. The figures show 22,000 people nationally found jobs during the month, partly attributable to the usual pre-Christmas increase in available work. But the number of people officially looking for work appears to have dropped—typically a sign of disillusionment with the continuing poor job outlook. The better overall outlook though continues a steady, if slow, trend of several months.

Unemployment will be a major policy focus this year with the Keating government preparing a final paper on addressing long-term unemployment. [end recording]

Fiji**Opposition Attacks Government in Election Campaign***BK1601083494 Melbourne Radio Australia in English
0500 GMT 16 Jan 94*

[Text] A former leadership rival to Fiji's Prime Minister Sitiveni Rabuka has begun his rebel party election campaign with a bitter attack on the government's record. Former Deputy Prime Minister Josefata Kamikamica, expelled from the Fijian Political Party last month, said the rebirth of the Fiji Association was a political necessity. Mr. Kamikamica accused Mr. Rabuka's coalition government of ineptitude, deception, and dishonorable behavior. Mr. Kamikamica was one of seven government dissidents expelled from the governing Fijian Political Party after helping to defeat the 1994 budget in parliament last November. Mr. Rabuka called a snap election for February.

The Fiji Association plans to contest 27 of the 37 seats set aside for Fijians under the racially-biased 1990 constitution. If it gained enough support in those seats in the 33 seats open to Fiji Indians and other racial minorities, it could threaten Mr. Rabuka's hold on power.

Papua New Guinea**Indonesians Alleged To Have Burned Village***BK1301062894 Melbourne Radio Australia in English
0500 GMT 13 Jan 94*

[Text] Papua New Guinea [PNG] Government officials have arrived in the nation's Western Province to investigate report that Indonesian troops crossed into PNG recently and burned down the village of (Kwa). The party of officials is expected to return to Port Moresby next week with the report on the incident for the provincial affairs and village services minister, John Nikare.

The environment minister and member of Parliament for (South Fly), Perry Zeipi, claims that Indonesian troops torched (Kwa), but the allegation was being dismissed by Jakarta.

Other reports at present being examined by Mr. Nikare suggest that guerrillas associated with the Free Papua Movement, OPM [Papua Freedom Operation], may have been responsible for the destruction of the village.

The investigating team now in the Western Province is scheduled to have talks with (Kwa) villagers before returning to the capital.

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